60_decibels

60 Decibels Microfinance Index

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About 60 Decibels

60 Decibels is a global, tech-enabled impact measurement company that brings speed and repeatability to social impact measurement and customer insights. We provide genuine benchmarks of impact performance, enabling organizations to understand impact relative to peers and set performance targets. We have a network of 1000+ researchers in 70+ countries, and have worked with more than 800 of the world's leading impact investors, companies, foundations, corporations, NGOs, and public sector organizations. 60 Decibels makes it easy to listen to the people who matter most.

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Founding Partners

Accion, Advans Group, BRAC, ECLOF, FMO, Fundación Netri, Global Partnerships, Grameen Crédit Agricole Foundation, Kiva, LeapFrog Investments, MCE Social Capital, Nordic Microfinance Initiative, Opportunity International, Pro Mujer, ResponsAbility, Symbiotics, SPTF, WaterEquity, Women's World Banking.

Photos Supplied By

BRAC, ECLOF & Accion.

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My business was improved. My income has increased. And it helped me with my children’s education fund.

A Thank You From 60 Decibels

This work would not have been possible without the generous support of Ceniarth and the Tipping Point Fund on Impact Investing. Diane, Greg, and the whole Ceniarth team have been supporters of 60 Decibels from the start. They are fearless voices pushing all of us to take meaningful action, and gather the supporting data, to create social impact. Ceniarth's seed funding for this initiative was one of many early, bold bets that Ceniarth has made to support work that pushes the boundaries in our sector.

Core funding to support the 2021-22 60 Decibels Microfinance Index came from The Tipping Point Fund on Impact Investing. This funding allowed us to be much more ambitious in our vision for this work, helping us to scale to more than 70 participating microfinance institutions (MFIs) and to invest in publicizing and disseminating this work broadly. Few funders have had the tenacity and insight to support the core infrastructure for our sector, and we hope that the success of this initiative will move us all closer to an impacting investing field in which customer voice, and customer social outcomes, are part of each and every conversation.

A huge thank you to 60 Decibels' friends who were quick to respond to our many questions, have been champions of our work from the start, and generously agreed to review this report: Tara Murphy Forde, Bridget Dougherty, Upoma Husain, Safeya Zeitoun, and Amelia Greenberg.

We also want to thank the investors, networks, and foundations who have been our partners in this inaugural effort. Each of them distinguishes themselves for their commitment to social impact and their desire to learn directly from customers. Our thanks to: Accion, Advans Group, BRAC, ECLOF, FMO, Fundación Netri, Global Partnerships, Grameen Crédit Agricole Foundation, Kiva, LeapFrog Investments, MCE Social Capital, Nordic Microfinance Initiative, Opportunity International, Pro Mujer, ResponsAbility, Symbiotics, SPTF, WaterEquity, and Women's World Banking.

A special thank you to the microfinance institutions who let our research teams speak with your clients. We know it is not easy to let a third-party collect feedback on your organization; however, we hope this is outweighed by the benefit of actionable data and insights in your hands.

Most importantly, to all the clients who took part in our surveys—the vast majority of whom may, unfortunately, never read this report—we thank you for your time, your honest feedback, and your extraordinary comments. Without you, this report literally would not exist. We have done our best to faithfully represent your voices here, in the hopes that what we collectively learn from the results can lead to more positive change in the world.

Foreword From BRAC

The late founder of BRAC, Sir Fazle Hasan Abed, regularly reminded us that BRAC is neither a microfinance organization, nor a social enterprise or a humanitarian organization. Rather it is a learning organization. Engaging directly with and learning from the people has been central to BRAC's mission from the beginning.

Since 2019, BRAC has been partnering with 60 Decibels to listen directly to our clients, to better understand the social outcomes they are experiencing. As a strong advocate of financial services as one of the key tools to empower people to lift themselves out of poverty, we wanted to better assess how we are delivering on the promise of achieving client impact. To us, this work allows continuous learning, improvements and ultimately adding value to our clients lives.

We know that our philosophy—of grounding our work in the needs of our clients, and putting their voice at the center of everything we do—is shared by many microfinance institutions around the world. And yet, until now it has been challenging to standardize and professionalize the act of listening to our clients, or to understand in an objective way how and how much our services are meeting their needs.

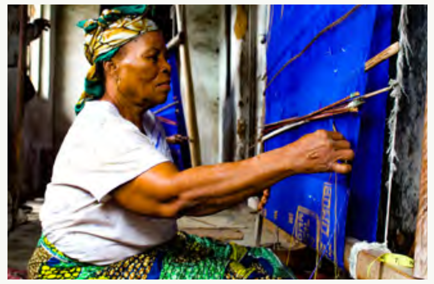
While we have always been able to compare our individual program data within the BRAC portfolio and to the global 60 Decibels Financial Inclusion benchmarks, this is the first time we are able to compare the results of our microfinance institutions (MFIs) performance to similar MFIs around the world.

And this is just the beginning.

We are proud to be a founding partner of this Microfinance Index with 60 Decibels, an ambitious effort to provide comparable client-level output data for microfinance institutions and a first of its kind for the sector. We hope this encourages more organizations to join this initiative. The more client voices and data included in this microfinance index year after year provides a better understanding of industry trends, better comparability for us and other partners, and a north star for social impact.

In closing, I want to share my sincere thanks to all the microfinance clients around the world who participated in this survey. BRAC's mission is to make microfinance work for you. With this data, we can do that even better.

Shameran Abed
Executive Director
BRAC International



Introduction

1st

The world's first microfinance social performance report grounded in customer voice

72

Microfinance organizations

41

We looked at 41 countries across the globe

25m

Total clients served by the microfinance institutions included in this index

17,956

We heard from 17,965 MFI clients around the world

You are holding, in your (virtual) hands, the world's first financial inclusion social performance report grounded in customer voice.

This report shows the comparative social performance of 72 microfinance organizations, based exclusively on what we heard from 17,956 of their clients. Collectively, these MFIs are serving more than 25 million clients in 41 countries, more than 15% of all microfinance clients globally.

As a sector, we've built a strong practice of reporting on policies, procedures and practices that we hope align with good social performance. It is also common for microfinance institutions to share output data as a proxy for social performance—things like the number of clients served, the average loan size, the number of women borrowers, and the percentage of the portfolio at risk. However, if we don't complement these metrics with input and data from clients, we can only hypothesize that these better approaches and output metrics translate to better customer impact.

It's as if we're all trying to fly a plane with a missing or faulty instrument panel: our goal is to create positive social outcomes, yet we must rely on spotty, mostly anecdotal data from clients to know if we're headed in the right direction.

Our hope is that the 60 Decibels (60dB) Microfinance Index, an annual effort to listen to clients at scale, will change this. We aim to demonstrate both the value and the feasibility—to investors, MFIs, and microfinance networks—of regularly listening to clients to understand social performance. In so doing, we hope that, together, we can make the gathering of comparable client-level outcomes data the norm in microfinance.

Our work stands on the shoulders of the extensive research that has already been done over the last three decades around what microfinance can do to reduce poverty, grow businesses, improve household outcomes and resilience. There is mixed evidence in the academic space of the effectiveness of microfinance on improving people's lives and wellbeing.[1] Our goal is not to prove or disprove those conclusions. Rather, our aim is to provide a system that allows MFIs—and their investors—to readily have impact performance data at hand, so they can use these data to better serve their clients.

1. For more resources and a review of microfinance research, we recommend the Consultative Group to Assist the Poor (CGAP) / World Bank's "A Research and Learning Agenda for the Impact of Financial Inclusion."

Why microfinance?

Access to finance is a gateway to increased financial resilience and poverty reduction. The loans, credit, insurance, and other non-financial services provided by microfinance institutions have the potential to increase incomes, help families withstand financial shocks, and empower women.

More than 10,000 microfinance institutions worldwide serve more than 140 million borrowers with a total loan portfolio of $160 billion.[2] The clients in our sample are more likely to be poor—30% of the clients we spoke to live below the $3.20/day World Bank Poverty line—and less likely to have access to formal financial services.

And while the fintech sector has grabbed global headlines and attracted massive amounts of capital in recent years—in Q4 of 2021, fintech startups received more than $30 billion in venture funding—microfinance institutions still are unique in their focus on the most vulnerable populations, particularly women, people living in rural areas, and people living in poverty. Indeed, the latest data show that 1.7 billion people worldwide are still excluded from formal financial services.[3]

1.7b

1.7 billion people worldwide are still excluded from formal financial services.

A word about benchmarks

Our belief is that we can only improve if we know what good, better, and best performance looks like. Unfortunately, most outcomes metrics don't allow for these essential comparisons: we can compare the number of clients reached, but if we don't know the difference in impact experienced by different clients, we're still stuck at the starting line.

This means that we have no idea which MFIs are top social performers, or what are reasonable targets for good impact performance. Worse, we are unsure what type of impact MFIs are truly having on their clients, how much impact, and how this differs from institution to institution, location to location, and year to year.

Benchmarks are the missing piece to this puzzle. Benchmarks based on client outcomes provide a yardstick by which to judge impact performance[4] with comparable client metrics. With benchmarks, we can distinguish leaders from laggards. As you'll see in this report, client outcomes vary significantly across geographies and institutions—and, as we know from our experience working in this sector, they can change dramatically over time.

Take for example an MFI whose goal is to reach clients living in poverty. While we know that few, if any, MFIs will only serve clients living below the poverty line, beyond that, it's difficult to know what poor, good, and excellent performance looks like, both in terms of current data (percent of clients living below local poverty lines), and how that compares to peers.

2. Convergences. "Microfinance Barometer 2021"
3. World Bank. "Global Findex Database 2017 Report" https://globalfindex.worldbank.org/sites/globalfindex/files/2018-04/ 2017%20Findex%20full%20report_0.pdf

4. To read more about the role of benchmarks in impact performance measurement, see our SSIR article, This is Not an Impact Performance Report from July 2021

Operationally, an MFI or investor that knows the poverty profile of its clients and can compare this to a relevant set of peer MFIs has the data it needs to understand how its product and outreach strategies are (or are not) helping it reach its social outreach targets. Furthermore, by gathering this data annually, they can learn more about achievable metrics for improvement overtime. For example, they could see the percentage of longstanding clients who graduate out of poverty year after year, and about whether this result is good compared to what other MFIs have achieved overtime.

These data also allow us, as a sector, to learn what products and service delivery models (e.g. individual versus group lending) are best suited to reach clients below the poverty line. We also will finally have data that helps uncover any relationships between financial performance and social outreach performance: can MFIs that serve the poorest clients be financially sustainable, and what tradeoffs exist between client profile and MFI financial performance?

That said, our benchmarks have important limitations.

First, the geographic distribution of our sample does not represent the global distribution of microfinance clients. Of the 72 MFIs in our sample, 34 are based in Sub-Saharan Africa, which is 47% of the clients we spoke to. This is far different from the 6% of overall MFI borrowers based in Sub-Saharan Africa.[5] The bottom line is that our geographic spread represents the MFIs that were a priority for their investors and the MFI networks that joined the Index, rather than the distribution of MFIs globally.

In addition, contexts are different, nuances of how a question is understood will differ, and MFIs will have different strategies and theories of change. We know that our benchmarks do not allow for perfect comparisons. At the same time, we believe they are a big step forward in helping MFIs understand their relative performance—both relative to their peers and, over time, relative to themselves.

Finally, while 72 MFIs serving 25 million clients is significant, there are more than 10,000 MFIs globally. Clearly, this is just the first step in our journey. We hope that this report provides fresh, insightful data that will be useful to these 10,000 institutions and the many networks and investors that support them.

What might you learn? Why spend the next 30 minutes with us?

Your time is precious, so our goal is to share something new with you.

If you read on, you might meet some new microfinance institutions that are top performers in the 2021-22 60 Decibels Microfinance Index. You'll certainly learn more about why we focus on access, business impact, household impact, financial management, and resilience as our core impact themes, and how MFIs performance differs across these five dimensions. And, hopefully, you'll walk away convinced of the power of benchmarks and with a clearer view of what social impact performance really means in practice.

5. Convergences. 2021 Impact Finance Barometer.

Our goal is that these data points are most valuable to the microfinance institutions themselves. With these data, you can now evaluate your performance alongside your peers. We hope that this empowers you to celebrate your successes and to target improvements where you are performing below the benchmark.

We also hope that this report is valuable to investors, funders, MFI networks, regulators and policy-makers working for greater financial inclusion. Many of you have been championing the importance of high-quality social performance data for years. We look forward to your continued participation in the 60dB Microfinance Index, and to your partnership in making the gathering and sharing of customer-level social impact data the norm in financial inclusion.

“

My life has improved because there is more capital in the business to increase daily income and some money to pay back to the institution.

The world is dynamic—your impact data should be too

Finally, a closing thought: social impact data isn't static because the world isn't static.

As we learned in the last two years with COVID-19, external shocks, whether global or local, can have a massive impact on clients and the institutions that serve them. An MFIs product design, messaging, or policies might work swimmingly in one geography, at one moment in time, or with one set of clients and fall flat in another.

We believe that better data, technology, and insight can help MFIs improve existing products and create new ones. This is why we encourage all of our partners to see customer data collection as a continuous, ongoing process, and to always compare their performance to relevant, recent benchmarks. Far too much good work is happening in microfinance institutions around the world for us to stop short of listening to clients in a regular, ongoing fashion.

This work, at its core, is about creating a meaningful and lasting conversation between microfinance institutions and their clients. It is only through this ongoing dialogue that we can truly understand and partner with one another.

So, whether you have years of experience in financial inclusion or you are just stumbling upon the sector for the first time, we hope this report has something for you. Enjoy!

10,000

There are over 10,000 microfinance institutions globally. This is just the first step in our journey.

You've said Index a lot. What is it?

5
Dimensions of impact

18
Indicators to measure social impact

37
Survey Questions

250
Randomly sampled clients per MFI

Our Microfinance Index is a simple answer to a complicated question: “what does social impact mean for microfinance institutions?”

In July 2021, 60 Decibels had already heard from more than 45,000 financial inclusion clients. We’d learned a lot about what topics mattered most to our financial inclusion partners—NGOs, companies and investors—and, most importantly (in our view) what mattered most to clients.

Based on this work, and with extensive consultation with experts in the field, we set out to boil down all this work to the essential, common elements of microfinance impact — specifically credit. It wasn’t easy, and we had to make some tough choices along the way. But the result was a simple, easy-to-implement survey that captured client-level outcomes across the five common dimensions of impact we believe matter to (nearly) all MFIs. These areas are:

Access: who is being served, and are they under-served to begin with?

Business Impact: how does being an MFI client correlate to changes in business success and growth?

Household Impact: how does being an MFI client correlate to changes in household well-being?

Financial Management: do MFI clients understand the workings of their loans, are they under financial stress and are repayments a burden?

Resilience: are clients better able to withstand financial shocks thanks to the MFI, and are they making sacrifices to repay their loans?

“

It [MFI loan] favored me to improve the facade of my ice cream business, which gives me a higher income and afford expenses as a single mother.

The 60dB Microfinance Index

The Dimensions	Indicators
Access	> Clients accessing a loan for the first time > Clients without access to good alternatives > Inclusivity Ratio
Business Impact	> Very much increased business income > Increased number of paid employees
Household Impact	> Very much improved quality of life > Very much increased spending in • Home improvements • Education • Healthcare • Quality Meals > Very much improved ability to achieve financial goal
Financial Management	> Clients who strongly agree they understand all terms & conditions of loan > Very much improved ability to manage finances > Very much improved stress levels > Clients saying their loan repayments are not a burden
Resilience	> Clients whose savings balance has very much increased > Clients who have a very much improved resilience because of the MFI > Clients who never reduce food consumption to make repayments

The 2021-22 60 Decibels Microfinance Index

The challenge, of course, is gathering this comparable data, and that is just what we have done with our partners in the 2021-22 60dB Microfinance Index.

We worked with 30 investors and microfinance networks and partnered with 72 microfinance institutions (MFIs). For each MFI, we randomly sampled approximately 250 of their clients, asking them all the same core set of 37 questions. The interviews were conducted over the phone in local languages by our 60 Decibels-trained, in-country Research Assistants. So, for example, our 60dB Indian Research Assistants spoke to a total of 2,022 clients from 8 MFIs in India and conducted the interviews in Hindi, Punjabi, and Gujarati (among other languages). The average survey duration was 15 minutes.

As you'll see, some institutions are top performers across the board. Some stand out in certain areas and underperform in others. Importantly, these differences may reflect different client segmentation strategies, product and service offerings, or performance.

For example, one MFI may be heavily focused on increasing business growth, offering individual loans and enterprise-specific training to microentrepreneurs looking to scale their business. Another may be focused on building household economic resilience, offering education on income and consumption smoothing alongside group loans to support a small-scale productive activity. A third may offer home improvement loans designed to improve non-financial, household outcomes. Each of these MFIs would rightly expect to outperform on the axes that align with their lending model, and might not excel at all five areas of this Index. That's okay!

The goal is to provide benchmarks that are useful to each MFIs specific strategy, while also providing a common base for comparison for all MFI's. Despite lots of important differences between different MFIs, by deploying a standard, core set of questions across many MFIs we can begin to create the kind of comparable social outcomes data that we, and the sector, have been looking for. These data will allow MFIs to reinforce areas of excellence and pinpoint areas for improvement, resulting in year-on-year improvements in client-level outcomes across the sector.

A quick bit about our survey

Our survey (See Appendix) has a total of 37 questions, 34 of which were quantitative (closed-ended) and 3 of which are qualitative (open-ended).

Excluding demographic questions, all questions in the survey attempt to capture the opinion or perspective of the respondents: How much do they feel their quality of life has improved? How much of a burden are loan repayments? Do they feel there are good alternatives to their MFI loan in the market? Like all survey data, these answers are necessarily subjective, and we think that's a good thing! Ultimately, it is the clients themselves who are the best judge of their own lives, experience, and well-being.

Our goal is not to gather data that could be published as academic research: we have no control group in place, meaning there is both selection bias and limitations on our ability to attribute changes to the MFIs.

Our belief is that these limitations are outweighed by the ability to deploy our data-gathering approach quickly and at scale, the availability of benchmarks, and the inherent value of people answering for themselves what has, and has not, changed in their lives thanks to working with an MFI. We believe that people are the best judges of their own lived experience, and that the best way to understand if people's lives are improving is to ask them directly.

Our benchmark calculations, explained.

For this report, we have created a new benchmark that consists of the data from 72 microfinance institutions from this year's cohort.

For each indicator included in our Index, we calculated the average performance of the participating microfinance institutions, weighing each MFI's performance equally. The benchmark figure itself is the mean or average. These benchmarks are at the heart of this report and they give the clearest picture of what social outcomes are, and are not, being achieved by MFIs.

It's also important to note that there is nothing scientific about the selection of MFIs who participated in this Index. They might, or might not, be representative of all MFIs globally. Our suspicion is that they are likely to be above-average performers with respect to social impact: they chose to participate in this Index; they tend to be backed by social investors, who may use their influence with investees to promote good social performance management; and therefore they are probably more likely to have a strong focus on helping their clients achieve strong social outcomes. We're excited to test this hypothesis in years to come, as the number of MFIs participating in this Index grows.

On the data analysis

We took two different approaches to weighting the data we've gathered in this report. For benchmarking microfinance performance, we weighted all microfinance institutions equally. We did this to avoid the problem of microfinance institutions with larger client bases dominating the benchmark results—and recognize that, instead, smaller MFIs have proportionally more impact on our results.[6]

Conversely, when assessing trends by segments—cutting the data by gender, poverty, and geographic location—we have analyzed the data on the respondent level, and weighed each client's response equally.

There is, however, some data in our analysis that we had to segment on the MFI level because we could not segment on the respondent level. This was the case when identifying both the MFI lending methodology and the availability of non-financial ('wraparound') services.

Initially, we hoped to receive these data from all participating MFIs at the respondent level—through a pull from their Management Information Systems (MIS)—so we chose not to ask these questions of clients in our survey. Unfortunately, we were not able to receive this MIS data from all participating MFIs. Therefore, we had to rely on the data MFIs shared with us about their offering and approach for the majority of their clients.

For example, MFIs told us whether their lending methodology was primarily group, individual, or mixed lending (this is denoted as the 'MFI primary lending methodology' throughout this report). We also asked MFIs to tell us if they offered enterprise, education, health, or women's empowerment services. We used these answers to categorize the MFIs as a whole who offer non-financial services, and did not differentiate at the client level. This means that we don't know, for example, if the clients we spoke to used any of these non-financial services, we just know that they are clients of MFIs where these services are offered. This is an important limitation of our analysis, and one we aim to address in the 2022-23 Microfinance Index.

6. Specifically, the top 4 MFIs in this Index have a total of 15.3 million clients, so were we to weight proportional to total clients served, the Index would have essentially replicated the results from these four MFIs.

The MFIs we partnered with

The 72 microfinance institutions that participated in this Index have a wide dispersion of location, services offered (financial only or financial & non-financial), primary lending methodology, number of clients, and total assets. While these differences are important, all of the participating MFIs are working to extend financial services and capital to those who need it and who, by and large, do not have access to other 'official' forms of lending. To give you a feel of the types of MFIs that participated:

> Solidarity, or group, lending is most popular in Sub-Saharan Africa (particularly in East Africa); individual lending is more popular in the Middle East and North Africa.

> Non-financial (wraparound) services are more likely to be offered in addition to financial services in Latin American & the Caribbean; the South East Asia MFIs included in our Index are least likely to provide non-financial services to their clients.

> There is also a strong link between the primary lending methodology and if the MFI offers non-financial services: MFIs primarily focused on individual lending are less likely to offer non-financial services compared to those primarily employing group lending methodologies.

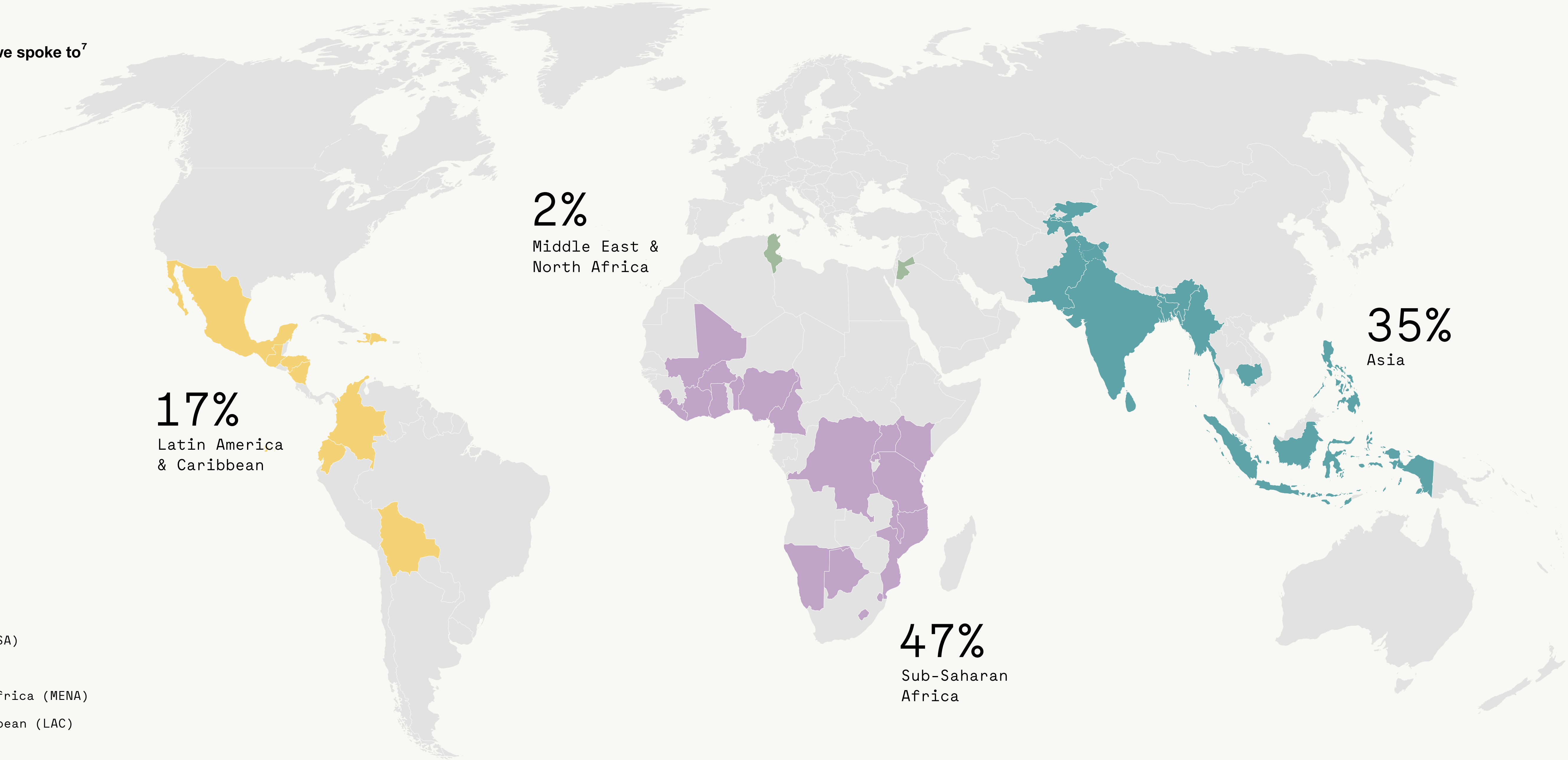
Figure 1: Map of Clients we spoke to[7]

48
Languages

259
60dB Research Assistants

287k
Total minutes of phone interviews

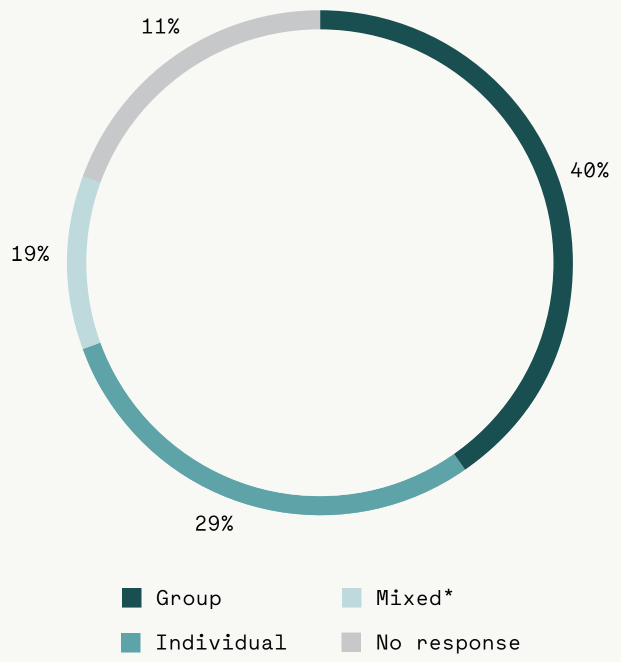
62%
Response Rate



7. Convergences Microfinance Barometer data from 2021 shows the total % of borrowers per region as: South & South East Asia 70%, Latin America 19%, Sub-Saharan Africa 6%, Middle East & North Africa 3%, and Europe & Central Asia 2%

World map produced by the United Nations Geospatial Information Section. Map Source: United Nations

Figure 2: MFI Primary Lending Methodology



*Mixed means the MFI does not have a dominant lending methodology and uses both group and individual lending.

Figure 3: Number of Clients

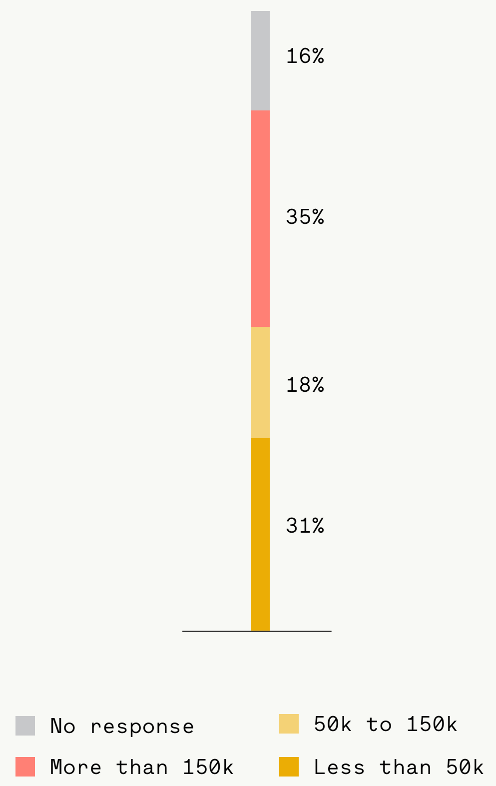


Figure 4: Total Assets in USD

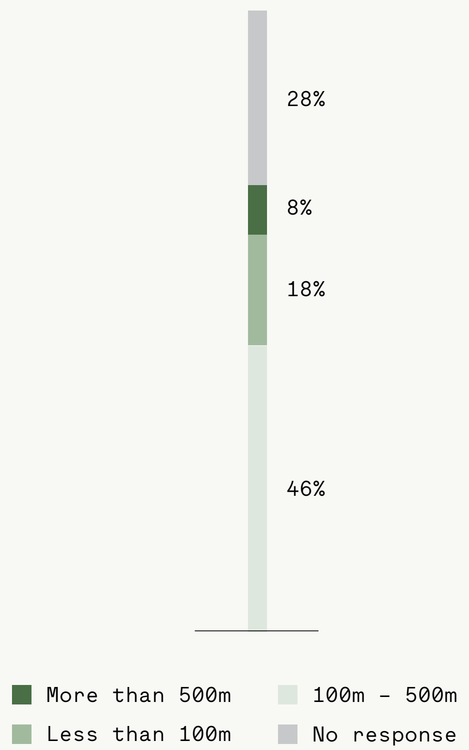
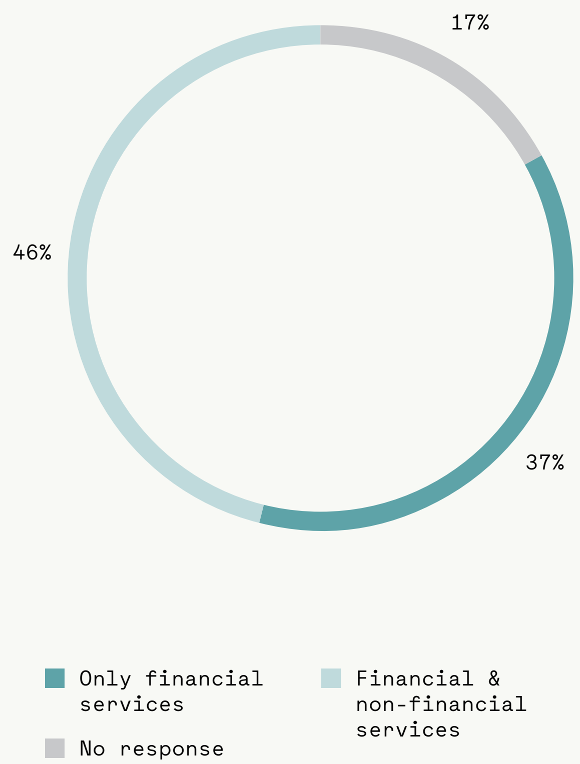


Figure 5: Financial Services Offered



No responses include missing metadata responses from MFIs

The clients we spoke to.

All the respondents from our surveys are clients of the microfinance institutions and have all taken at least one loan from the MFI in the past year. Aside from that, they may look very different: we surveyed clients all over the world, with and without businesses, across age groups, with group and individual loans. Two-thirds of all the clients we spoke to are women.

Figure 6: Who Did We Interview

Number of Interviews	17,956
Geography	Sub-Saharan Africa: 47%, Asia: 35%, Latin America & Caribbean: 17%, Middle East & North Africa: 2%
% Women	67%
Average Age (Range)	42 (17 - 83)
Average Response Rate	62%

“Of course at that time I was in great need, thanks to the money they lent me I was able to continue working in my business and thus be able to eat and support my family.

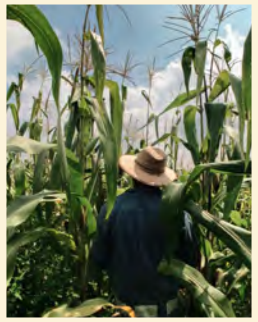
Let's get to the good part

Our data show that microfinance is reaching people without access to financial services, improving livelihoods, helping clients grow their businesses, and increasing financial resilience, all without creating overindebtedness for most clients.

Don't just take our word for it, read on...

11

Insights you should know



1.
Microfinance is reaching people without access to financial services.

Over half of clients we spoke to are accessing a loan for the first time through the microfinance institution. Women and lower income clients were more likely to be first time microfinance borrowers.

2.
Clients who report business income increases also report better household outcomes.

This finding validates the core premise of microfinance: that clients can put loans to productive use in their businesses, and that business improvements will translate to improved household well-being. Microfinance clients who report business growth were significantly more likely to report positive household-level outcomes.

3.
1 in 3 clients report a 'very much improved' quality of life because of their microfinance loan.

While the majority of clients report improvements in their quality of life because of the MFI loan, a full one-third of clients place themselves in the top 'very much improved' category. We were surprised to find no difference in these results between women and men.

4.
MFI clients report higher than average capacity to deal with an economic shock, and they say it is because of the MFIs.

1 in 3 of the clients in our Index would find it difficult to cover an emergency expense of 1/20th of Gross National Income per capita, compared to 1 in 2 globally, according to Findex. 70% of clients credit the MFI with helping them face major expenses.

5.
Microfinance institutions can expand access to credit without creating overindebtedness.

7 in 10 clients report their loan repayments are 'not a problem' and they 'strongly agree' to understanding their loan terms and conditions. This is a testament to the client education and disclosure efforts by participating MFIs (or, potentially, to overconfidence on the part of borrowers that they fully understand products).

6.
Business success is top of mind for clients.

We asked an open-ended question about why client's quality of life has been changed because of the MFI, and a quarter of all clients spontaneously cite the ability to invest in or grow their businesses. They mention this more than the ability to fund household expenses or generally increased income.

7.
Clients using their loans for business purposes report relatively bigger improvements in financial management ability and resilience.

Clients who use at least part of their loans to invest in a new or existing business report better outcomes across all four indicators in our Financial Management dimension. They are also more likely to say they could easily come up with funds for an emergency expense.

8.
The women we spoke to report only marginally larger household gains than men.

While women report higher first-time access and business income increases compared to men, the improvements women report in quality of life and household outcomes were not much greater. This was surprising given the prevailing view that women clients are more likely to invest into their households than men. At most the difference between women and men was 4 percentage points—not nothing, but not huge.

9.
Group lending continues to be a VIP (Very Important Practice) in microfinance.

MFIs that are primarily group lenders in our sample are better at reaching poorer clients, are more likely to reach women, and more likely to have clients who are accessing a loan from an MFI for the first time. Clients of MFIs with primarily group loans are also more likely to say they understand their loan terms and conditions, their repayments are not a problem, and their savings balance increased.

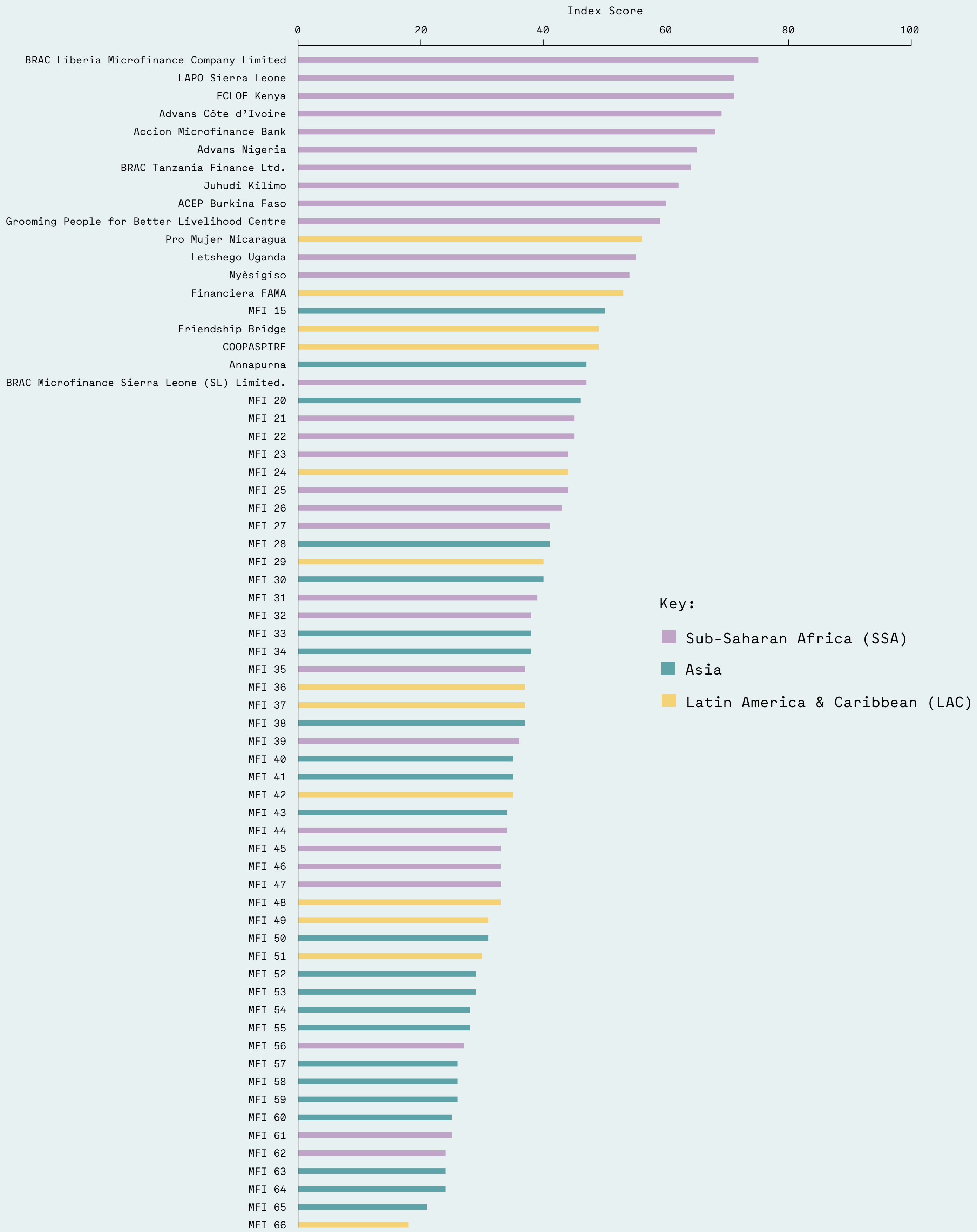
10.
Offering non-financial services doesn't necessarily mean your clients are doing better.

Nearly half of the MFIs in our Index say they offer non-financial in addition to financial services to their clients. Across all five dimensions of impact, these MFIs did not outperform the ones that do not offer these services. In fact, for some indicators, clients of these MFIs report worse outcomes overall. That said, some of the top performing MFIs in our Index do offer non-financial services to their clients, so the answer likely lies in the quality and relevance of these services, not whether or not they are offered.

11.
All of the Top 10 MFIs in the 60dB Index are in Sub-Saharan Africa.

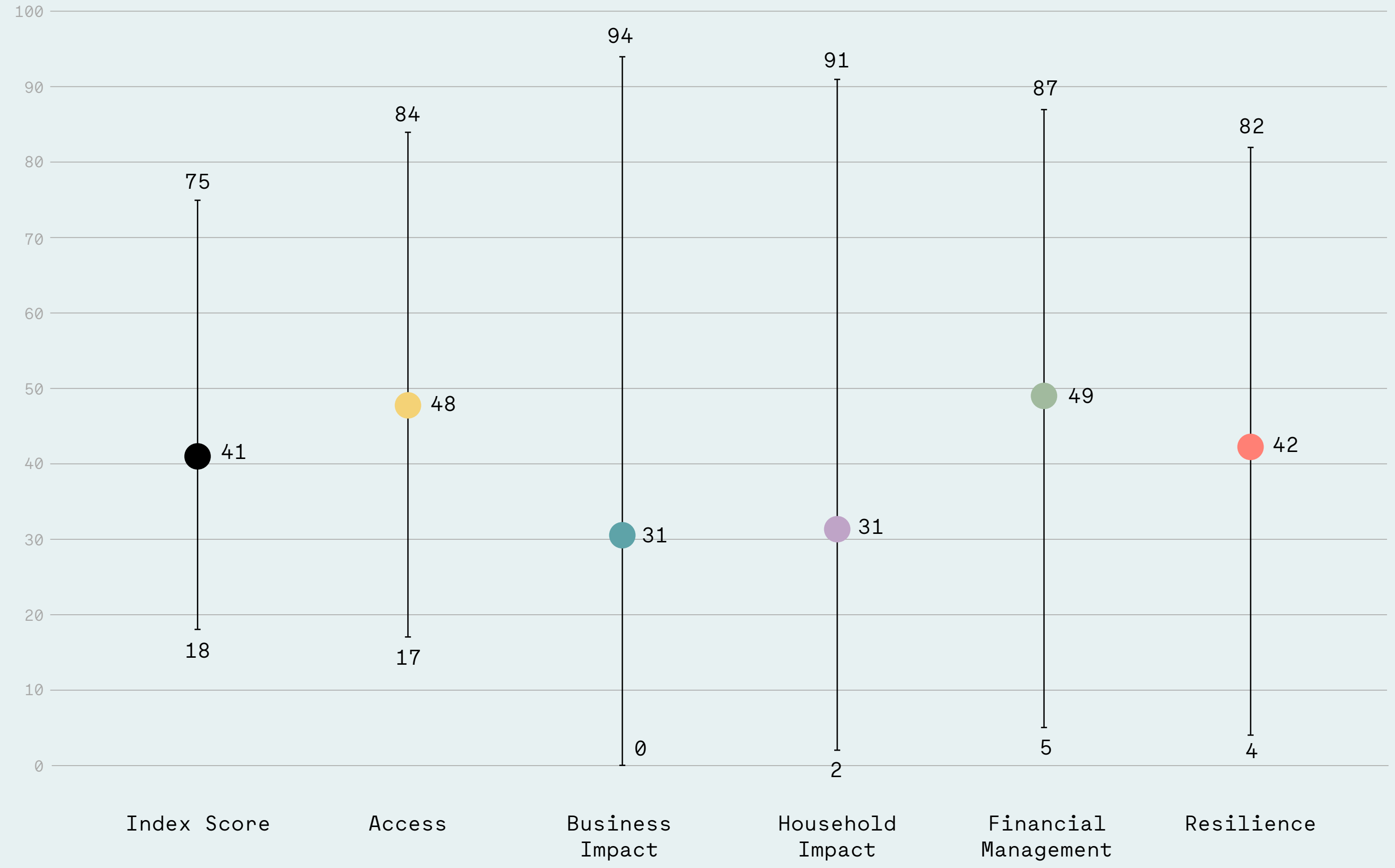
While Sub-Saharan Africa MFIs represent fewer than half of the participants in the Index, they dominate the list of top performers. This could be because of fewer available alternatives, higher poverty prevalence, or greater benefits being experienced by lower-income clients.

60dB Microfinance Index



Please note, MFIs in MENA have been excluded from the Index Ranking because of the small sample size.

Figure 7: The Impact of MFIs
These lines show the maximum, minimum, and average performance within each dimension of the MFI Index. The Index Score is the average of the MFIs dimension scores (weighted equally). The Index Score is then used to rank the MFIs.



"The loan has helped me increase my income. This allowed me to move my child from a public school to a private school, where she will get a better education. I am also able to save a little more."

See appendix for quintile distributions of the Index and Dimension Scores.

BRAC Liberia Microfinance Company Limited, Liberia

60 Decibels Index Leader

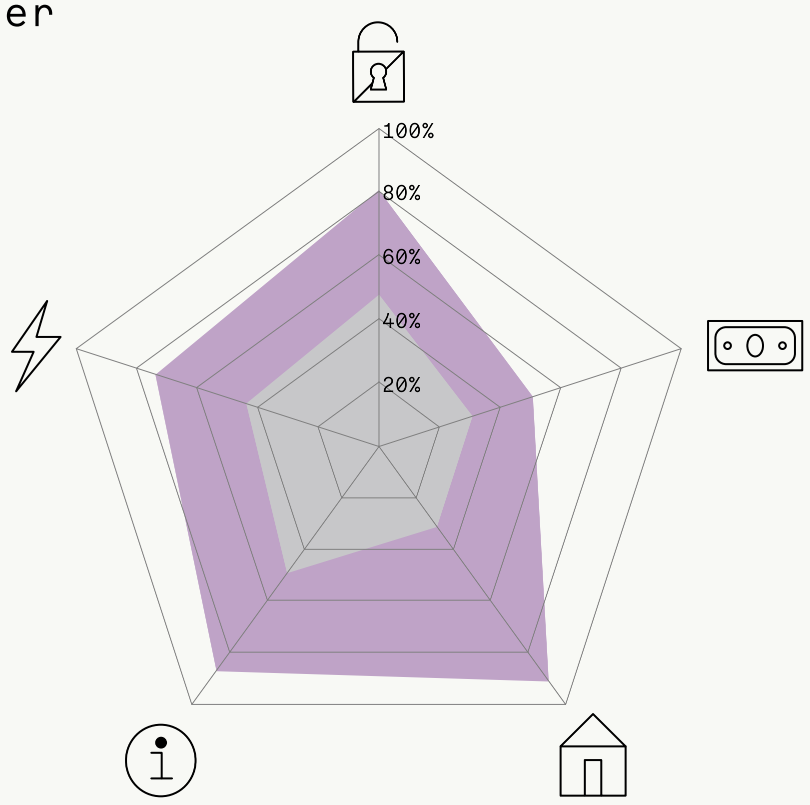
The top-performing MFI in our 2021-22 Microfinance Index is BRAC Liberia Microfinance Company Limited (BLMCL) .

BLMCL demonstrates consistently high performance across our dimensions, and is the #1 performer in the Access, Financial Management, and Household Outcomes dimensions!

BLMCL serves mostly women: 93% of the clients we spoke to are women and 7% are men. 97% of these women are getting access to a loan for the first time, and all of them say they could not easily find a good alternative to BLMCL. Many talk about using their loans to start a new business and say they did not have a business at all before BLMCL.

97% of all BLMCL's clients say their quality of life has 'very much' or 'slightly' improved, and the top reasons they give for this improvement are that they have been able to grow their businesses, and this allows them to afford to pay for education (usually for their children) and to buy assets for their businesses or at home.

We are excited to highlight BLMCL's excellent performance and commitment to client outcomes. They have partnered with 60 Decibels to measure client outcomes for the last three years, and have been a consistent top performer.



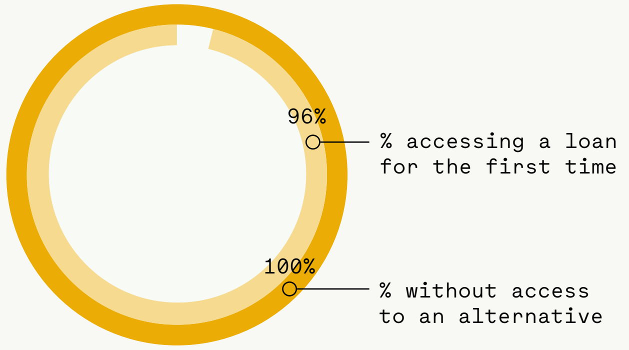
46k
Clients

$13m
Total Assets (USD)

Group
Primary Lending Methodology

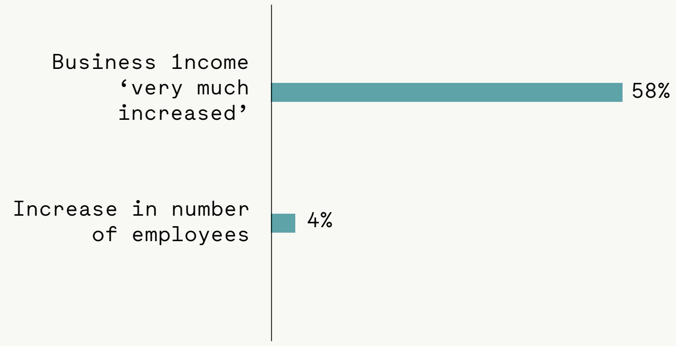
> "I started this business with nothing, when my friend called me and told me about BRAC: that they can give loans to women who are in business. So I came and I was empowered by BRAC. Today I am able to send my children to school and I built a house through my business.

Access



0.8
Inclusivity Ratio

Business Impact

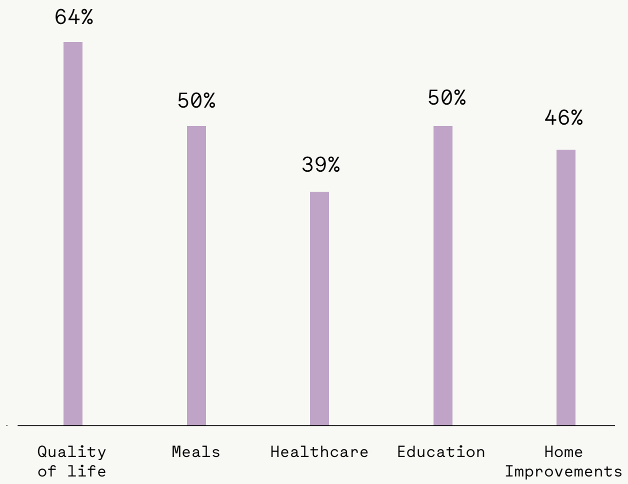


1.4
Avg. # of employees before

2.9
Avg. # of employees after

Household Impact

% 'very much increased / improved'



Financial Management

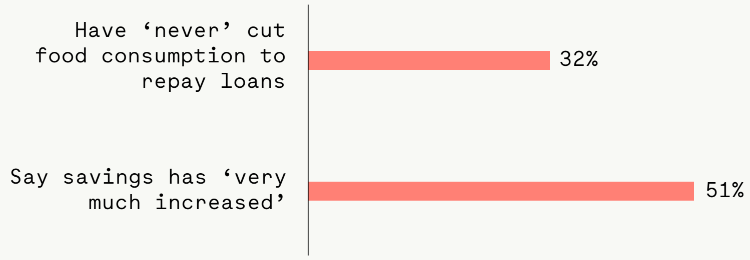
73%
'Strongly agree' they understand the terms and conditions of their loan

73%
Say their ability to manage finances has 'very much improved'

88%
Report their repayments are 'not a burden'

48%
Say their stress levels have 'very much decreased'

Resilience



62%
Resilience improved thanks to BLMCL

Dimension Details

Dimension Details

Access

Globally, nearly 1.7 billion individuals are unbanked or underbanked. For decades, microfinance institutions have developed novel outreach, underwriting, and lending strategies to reach these billions who are excluded from the mainstream financial system. The goal is to provide them with better access to capital, and other supporting services, to improve their lives.

The 60 Decibels Access benchmark measures the degree to which the MFIs in our Index are serving previously underserved clients. We focus on two main areas: the poverty profile of respondents, and whether respondents have or had access to a similar service other than the one provided by their MFI.

Providing financial access to clients living in poverty is often a core element of the mission of MFIs—it is an explicit goal of at least 80% of the MFIs included in our Index.[8]

However, in practice, there is little regularity or standardization of collecting poverty or wealth profile data by MFIs. The 60dB Microfinance Index aims to address this with the inclusion of the 60dB Inclusivity Ratio, a comparison of the economic profile of a company's clients as compared to national averages.

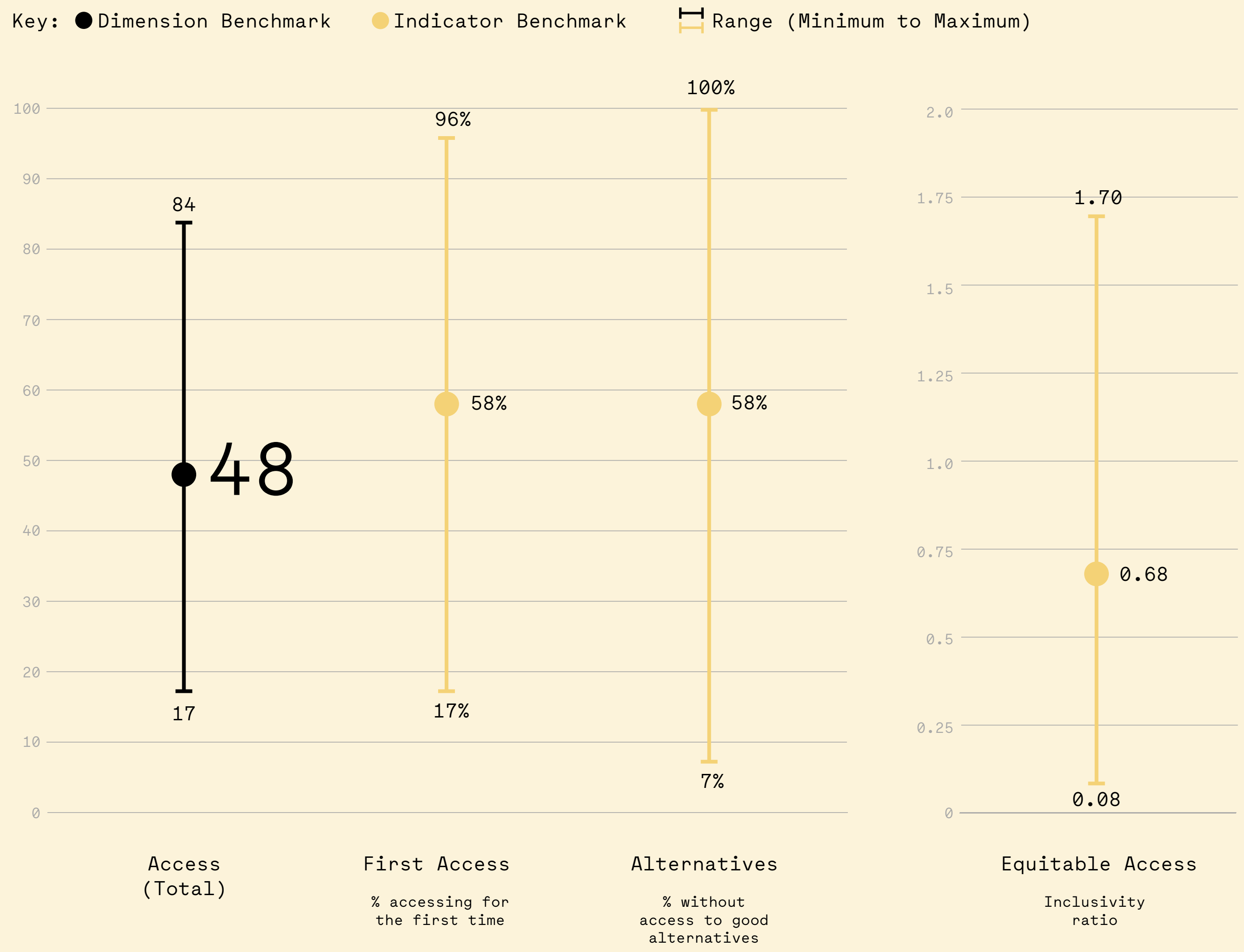
Access metrics also serve as a good proxy for attribution of impact: they allow us to imagine the counterfactual of, "were it not for this MFI, would this client be able to access a product or service with similar attributes?"

We have two questions that focus directly on access. The first asks clients whether they've had access to a similar product before. The second asks about access to 'good alternatives,' empowering clients to judge whether a comparable alternative to their microfinance institution exists in the market. This subjectivity is, in our opinion, a strength of this measure. It puts the 'alternatives' question in the hands of the client and lets them decide whether other offerings are, in their mind, equivalent to their MFIs.

8. Data from MIX Market Social Performance Dataset, 2017.

Access Benchmark Performance

58% of clients we spoke to are accessing a microfinance loan for the first time. We take this to mean that these MFIs are providing a unique, hard-to-access opportunity. Similarly, more than half of clients say 'no' they could not easily find a good alternative to their microfinance institution. We find differences across these indicators by gender, geography, and lending methodology.



"Once my relative told me about [MFI], I applied for a business loan to start my furniture business and got the loan. Now, I am living quality life being involved in my dream business.

Top 5 Access Insights

1.

MFIs are reaching un- and under-served populations, and MFIs with primarily group lending models are reaching more first time borrowers.

58% percent of clients are accessing loans for the first time through the 72 microfinance institutions included in our Index.

These results are more pronounced for MFIs that primarily offer group lending, whose clients are more likely (67%) to say this is their first time accessing an MFI loan and that they do not have a comparable alternative (68%)—compare these numbers to 59% and 55% of clients of MFIs with an individual lending methodology.

Encouragingly, when comparing first-time borrowers with the rest of our sample, we found no difference in self-reported understanding of loan terms and conditions. Nor are first-time borrowers more at risk of over indebtedness: they report similar levels of repayment burden compared to clients with prior access.

2.

Everywhere except for in Asia, women are more likely to be accessing loans for the first time.

Women are more likely to say they are accessing a microfinance loan for the first time because of the MFI. In Sub-Saharan Africa, 65% of women are first-time clients compared to 55% of men. The relative numbers follow a similar pattern in Latin America and the Caribbean (54% vs. 45%) and in the Middle East and North Africa (68% vs. 61%).

We don't see similar differences in Asia, and this might be because of the strength and long history of microfinance in the region. After all, formal microfinance was born in Bangladesh in 1976, and women were the first recipients of microfinance loans. Now, nearly 50 years later, many women have had longstanding access to loans. This could explain the relatively lower proportions of women being first-time borrowers in our sample.

Figure 8: MFI Loan Access
(n = 17, 674)

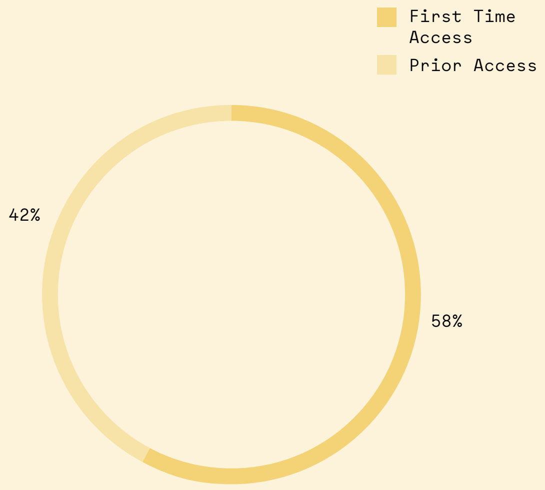
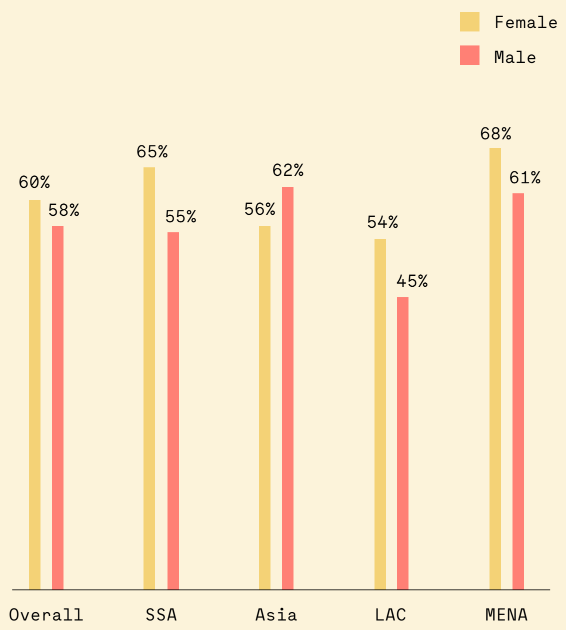


Figure 9: First Access to MFI Loan by Gender & Region
(n = 17,601)



9. An Inclusivity Ratio closer to 1 means the microfinance institution is at parity with the national population in lower extremely poor, poor, and low-income brackets.

See page 94 for more details on the 60 Decibels Inclusivity Ratio Calculations

3.

Women say they have fewer 'good' alternatives to their microfinance institution compared to men.

Globally, 62% of women report that they could not easily find a good alternative to their MFI, compared to 53% of men. The difference is largest in East and West Africa. While the global gap between women and men is 9 percentage points, this gap grows to 17 and 22 percentage points, respectively, in East and West Africa.

4.

MFIs employing primarily group lending methodologies do better at reaching clients living in poverty than individual lending MFIs.

Most microfinance institutions prioritize reaching lower income clients. And while microfinance's origins are in group lending approaches, individual lending has become more common and individual lending has its advantages. However, our data shows that MFIs who primarily offer group loans are doing a better job at reaching lower-income clients.

We see this through the Inclusivity Ratio, a metric developed by 60 Decibels to estimate the degree to which an organization is reaching less well-off clients.[9] MFIs employing a primarily group lending methodology had an average Inclusivity Ratio of 0.78 compared to an Inclusivity Ratio of 0.54 for MFIs that use individual lending. This is a large difference, and one that holds up across all geographies in our sample.

Figure 10: Access to Alternatives by Sub-region
% of clients reporting 'no' access to alternatives total and by sub-region (n = 16,441)*

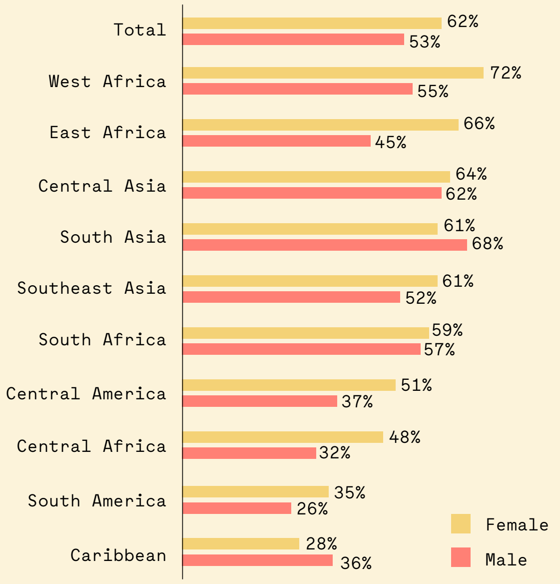
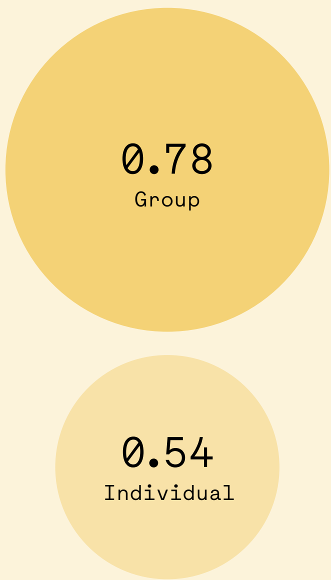


Figure 11: Inclusivity Ratios by MFI Primary Lending Methodology
(n = 12,952)



*The Middle East and North Africa were excluded from sub-region analysis because of small sample sizes.

Top 5 Access Insights (Continued)

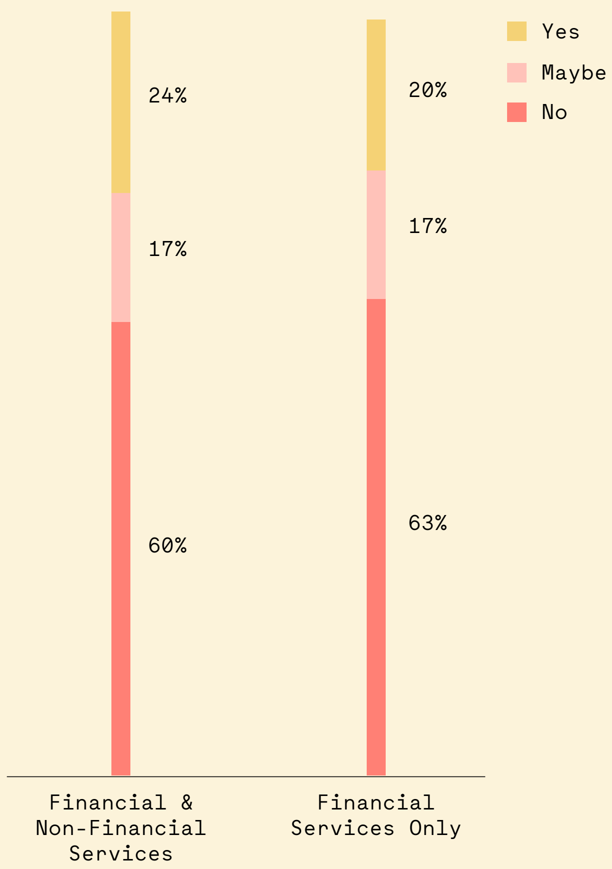
5.

Wraparound services alone do not seem to differentiate MFIs.

Nearly half of the MFIs in our sample offer some type of non-financial services to their clients in the form of education, health, women's empowerment, or enterprise services. These services are designed to provide education, assistance, or business training to clients, in the hopes that these ancillary services will amplify the positive impacts of access to capital.

However, when we analyzed responses to the question "Could you easily find a good alternative to [your MFI]" we saw no statistically significant difference in responses from clients of MFIs that did and did not offer wraparound services. The 'good alternatives' question is intentionally subjective, as it puts the definition of a 'good alternative' in the hands of the client. We expected that non-financial services would consistently distinguish MFIs in the eyes of their clients, but these results suggest otherwise.

Figure 12: Access to Alternatives by Services Offered
(n = 14,846)

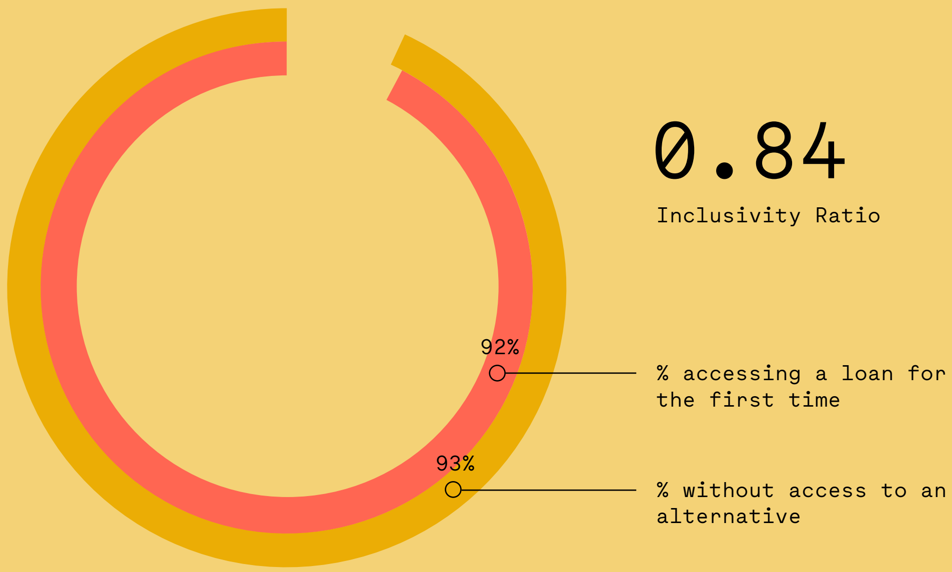


BRAC Uganda Bank Limited (BUBL)

ACCESS LEADER

Uganda

BRAC started microfinance in Uganda in 2006 and transformed into a Tier 2 Credit Institution in 2019. It is one of the largest providers of financial services to people at the bottom of the pyramid in Uganda with over 160 thousand clients - 96% of whom are women.



> "Because of BRAC, I was able to invest in other activities like piggery and am now able to earn more. My family gets a balanced diet and I am also able to pay school fees of my children

78
BUBL Access Score

48
Benchmark Access Score

Dimension Details

Business Impact

To a microfinance client, a ‘business’ can be many things: selling food from home, a stall in the local market, or a storefront in a bustling city with a few employees. We define a ‘business’ in our research as any income generating-activity by a microfinance client.

The 60dB Business Impact benchmark measures how much MFI loans increase clients’ ability to earn an income from their business, and how much clients increase their number of employees after becoming clients.

Importantly, not every MFI client is looking to grow their business. Many see their business simply as a means to get the money they need to live on, and have no aspiration to grow the business and hire more workers.

We use employment as a proxy for business growth as it represents an easy-to-quantify measure of the size of business, and it helps us understand how microfinance contributes to job creation. However, we recognize that some clients will remain the sole workers in their business, with a goal of steady income rather than of building a large multi-employee business.

Nevertheless, this measure is particularly important because microfinance lending is often intended to finance clients’ businesses, and even clients looking for steadier, more predictable incomes need to see a return on their MFIs loans to be able to pay off balances. It also indicates a possible positive externality for other individuals aside from the client; non-clients could indirectly be benefiting from the MFI as well through employment.

Understanding how consistently clients are able to grow their businesses shows whether loans lead to greater earnings and financial cushion. Ultimately, this is a measure of the extent to which being a microfinance client is creating upward financial mobility.

8. Data from MIX Market Social Performance Dataset, 2017.

Business Impact Benchmark Performance

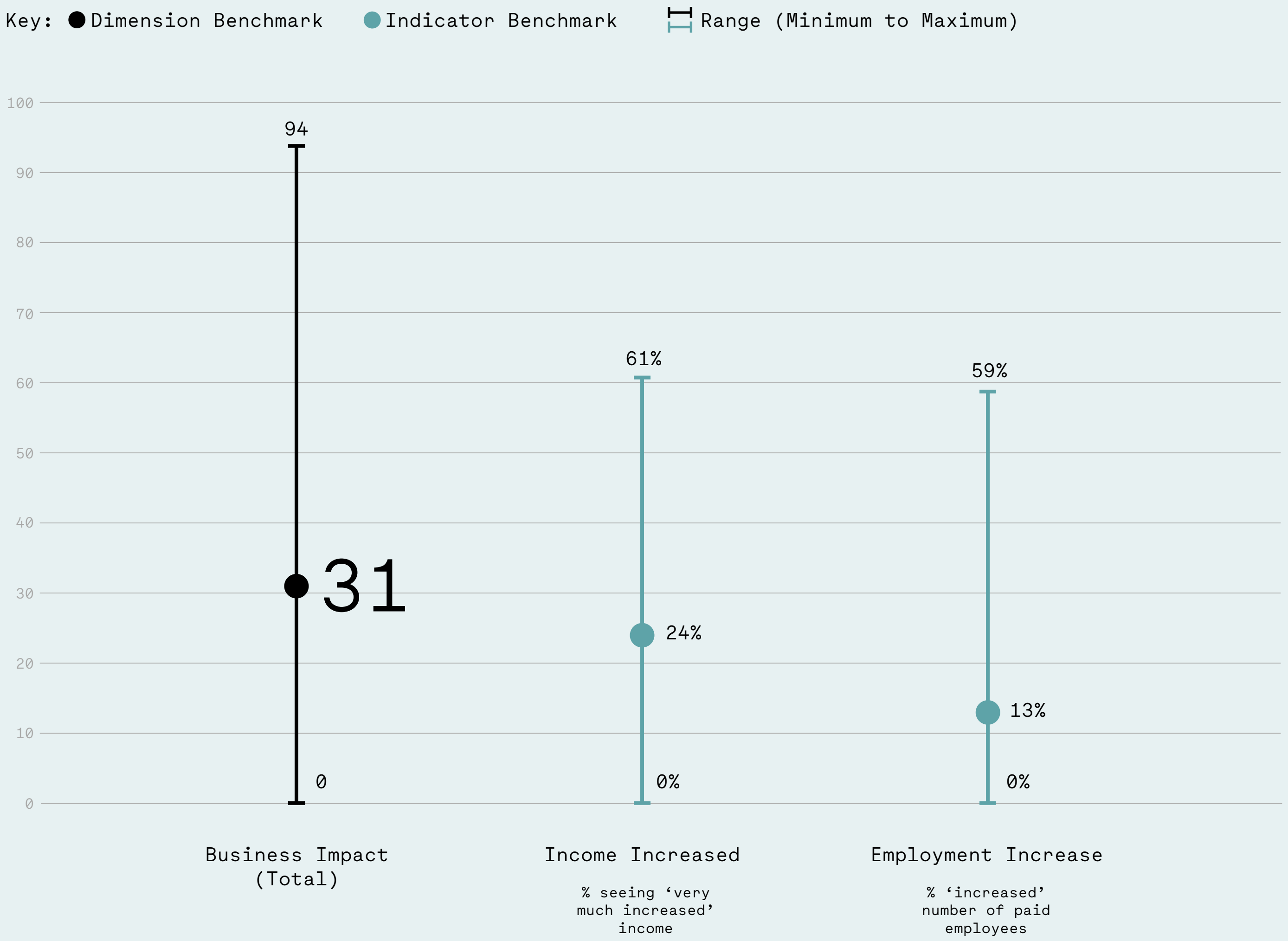
Most MFI loans require borrowers to have an identified business and a specified business purpose. The expectation is that clients will use the loan productively, investing in ways that help their business grow. Our Business Impact benchmark directly measures whether and how much MFI clients experience improvements in income and growth in employees.

The first Business Impact measure is the most direct assessment of the core thesis of micro-lending: that loans lead to investment which leads to increased business incomes and eventually improves household well-being. The second measure tests the multiplier effects of microfinance: the extent to which lending to one client results in job creation more broadly.

When clients were asked what they used their loan for, three-quarters of clients say they are using at least part of the loan for a business purpose, and the majority report positive business and household outcomes from their MFI loan.

In addition, those clients who report using loans for business purposes find it easier to make repayments and are less likely to be overindebted because of their loan.

Interestingly, when looking at differences by gender in how these business impacts translate to household impact, we saw no major difference between women and men: men were just as likely as women to report that their increased incomes translated to improvements in household well-being.



Top 6 Business Impact Insights

1.

Microfinance loans help businesses grow.

Microloans give clients access to lump sums of capital that are otherwise hard to come by.

Whether money to buy a refrigerator to keep food for longer, a tablet to process orders electronically, or the ability to buy more stock, the most common purported use of microfinance loans is some sort of business investment.

We wanted to understand whether clients do, in fact, use loans for business purposes and, if so, whether these investments help businesses to grow. (Note that, in our overall sample, some MFIs offer multiple types of loans, and some don't offer business loans at all: e.g. some Letshego subsidiaries only offer housing loans.)

With that context, it's encouraging that more than 74% of respondents say they use their loans for a new or existing business. Of these, 16% say their business income has not changed or decreased, 58% say their business income has increased, and the remaining 26% say their business incomes have 'very much increased' because of their microfinance loan. Overall, clients in Western and Central Africa and Central America report the highest business income increase relative to our global sample.

2.

Women report greater income increases than men.

Most microfinance institutions prioritize lending to women. This strategy reflects an interest in dismantling the systemic barriers women face in accessing traditional, formal financial products. It is also a recognition that women tend to use their increased incomes in more productive ways than men.

Similar proportions of women and men use their loan for some business purpose (78% versus 75%). However, across all geographies except for the Middle East and North Africa (MENA), women report greater increases in the money their businesses earn because of microfinance loans than men: 75% of women clients say their business income has increased compared to 69% of men.

The differences in income increases between men and women are greatest in Sub-Saharan Africa and Latin America where business income increases for women are 10 and 8 percentage points higher than mens', respectively. Conversely, women in MENA fall significantly behind men in how their microfinance loans help to increase their income: only 42% of women say their business income increased because of the MFI loan compared to 77% of men. This could be due to existing challenges for women business owners outside of financing and capital.

Figure 13: Business Income Changes
For the 74% of clients who used their loan for a business purpose (n = 13,155)

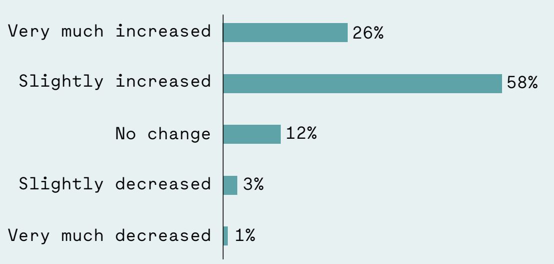
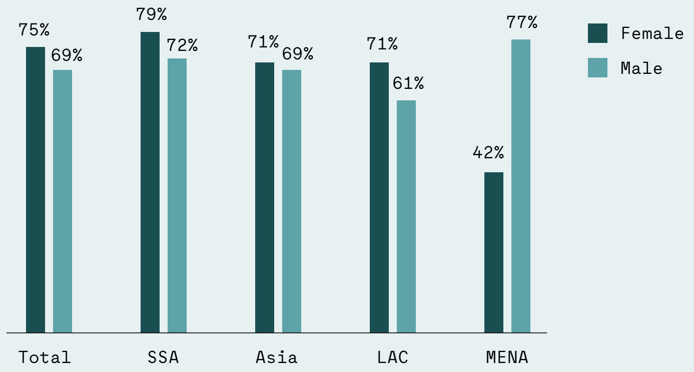


Figure 14: Increases in business Income by Gender
(n = 16,737)



Non-business purpose means the client used their loan exclusively for non-business purposes

3.

The impact of non-financial services is variable.

As explained in the Access section of this report, non-financial services are designed to amplify the impact of microfinance loans while meeting the multi-faceted needs of clients.

However, microfinance institutions that offer non-financial services to their clients did not report larger increases in business incomes compared to clients who do not have access to those services. The same is true for increases in employment, which aren't higher for clients with access to non-financial services.

Of course, this finding is not definitive. Some of our top performers in the Index offer wraparound services, so it is likely that there is no easy yes or no answer to the question of whether wraparound services are valuable. The quality of these services is likely the most important thing, as well as the cost to the MFI of delivering these services.

4.

Business income increases result in better household outcomes, regardless of borrowers' gender.

Business incomes are, of course, not an end in themselves. The ultimate goal is for these income increases to translate to positive household impact.

As we'd hope, microfinance clients who report business growth are significantly more likely to report positive household-level outcomes. For example, of the clients who say their businesses earned significantly more because of the MFI loan, three-quarters also say their quality of life has 'very much improved.'

Interestingly, despite the conventional wisdom that women clients are more likely to invest business incomes back into their households than men, our data did not show this pattern. For the nearly 18,000 clients we spoke to, men and women are equally likely to report changes in their household impact because of their microfinance loans.

Figure 15: Business Impact Outcomes by Services Offered

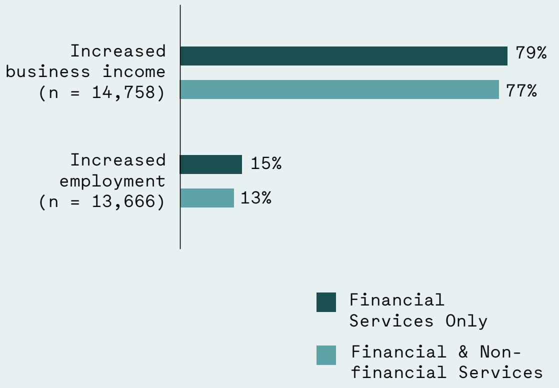
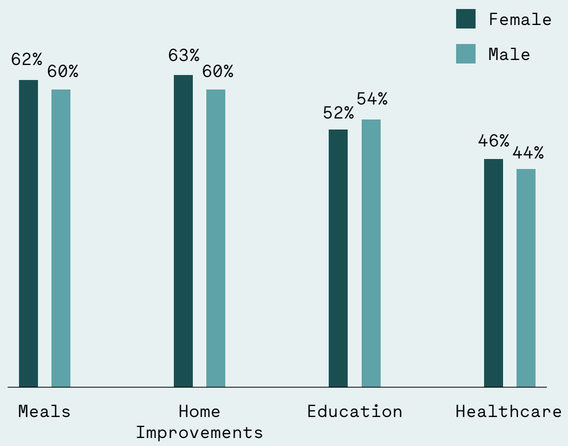


Figure 16: Improved Household Outcomes by Gender
% of clients with improved household outcomes (of the 73% who report income increases)



Top 6 Business Impact Insights (Continued)

5.

Clients who use at least some of their loan for a business purpose find loan repayments to be less burdensome.

Clients who say they used at least part of their loan for a business purpose (new or existing) are more likely than clients who did not to say their loan repayments are 'not a problem', 73% vs. 57%. Similarly, clients who do not use their loan for business purposes were more than twice as likely to say their repayments are 'a heavy burden'—12% say this, versus 5% of clients who use their loan for business purposes.

We conclude that lenders offering new microfinance products that are unlinked to business investment need to be especially careful in their screening criteria. While product expansion is no doubt a good thing, these borrowers are more likely to find themselves struggling with repayments.

6.

Clients are much more likely to report income increases than employment increases.

Of our full sample, 86% of respondents have a business and 34% have paid employees in that business.

Looking at employment changes for the 34% of clients that have paid employees, one third (12% of the total) of these clients have increased their number of employees because of their loan, 6% (2% of the total) have decreased their number of employees, and the remainder have not changed their number of employees. These percentages are much smaller than the increases we saw for clients in business income where 73% say their business income increased—reinforcing the point that not all micro entrepreneurs aim to increase the size of their business by adding employees.

In terms of geographic differences, clients of Sub-Saharan African (SSA) MFIs are much more likely to report increases in employment as compared to all other regions. More than 20% of clients in each SSA region report employment increases, compared to fewer than 10% in South America, South and Southeast Asia, Central Asia, and the Caribbean.

Figure 17: Loan Repayment Burden by Loan Use
(n = 17,618)

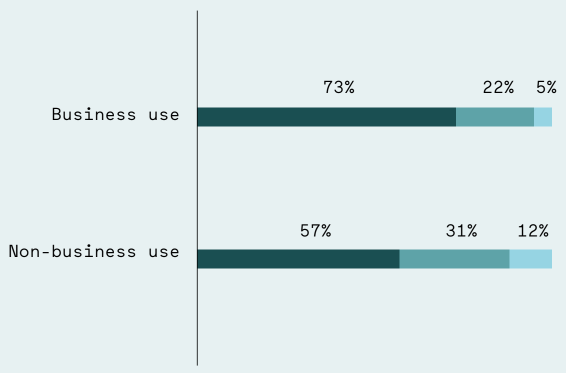
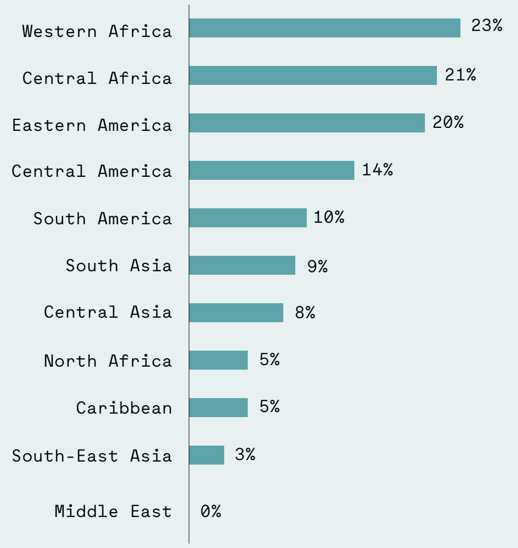


Figure 18: Employment Increases by Sub-Region
(n = 15,013)



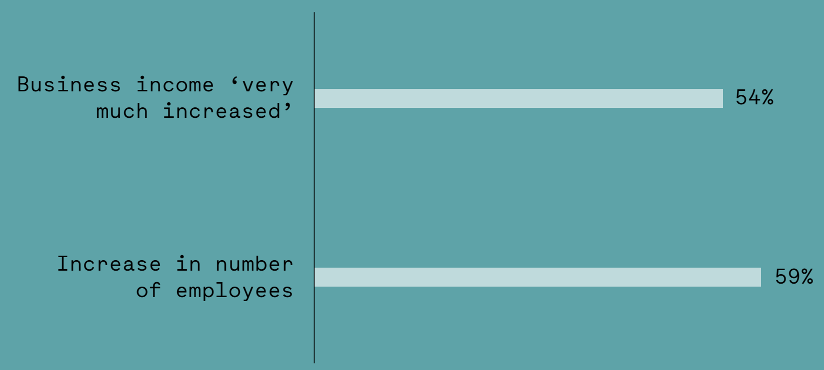
BUSINESS IMPACT LEADER

Advans

Côte d'Ivoire

Advans focuses on responding to financial needs of small businesses which have limited or no access to formal financial services. Their vision is to improve living standards in Africa, the Middle-East, and Asia.

Business Impact



2.8
Avg. # of employees before

5.6
Avg. # of employees after

> "Today I have a weight lifted off me. I am less stressed now and much more confident about my financial situation as compared to the past. I have been able to acquire a few assets as well.

94
Advans Business Impact Score

31
Benchmark Business Impact Score

Dimension Details

Household Impact

The 60dB Household Impact benchmark measures the impact MFIs loans have on clients' quality of life, their ability to invest or cover household expenditures, and the degree to which clients can achieve their financial goals.

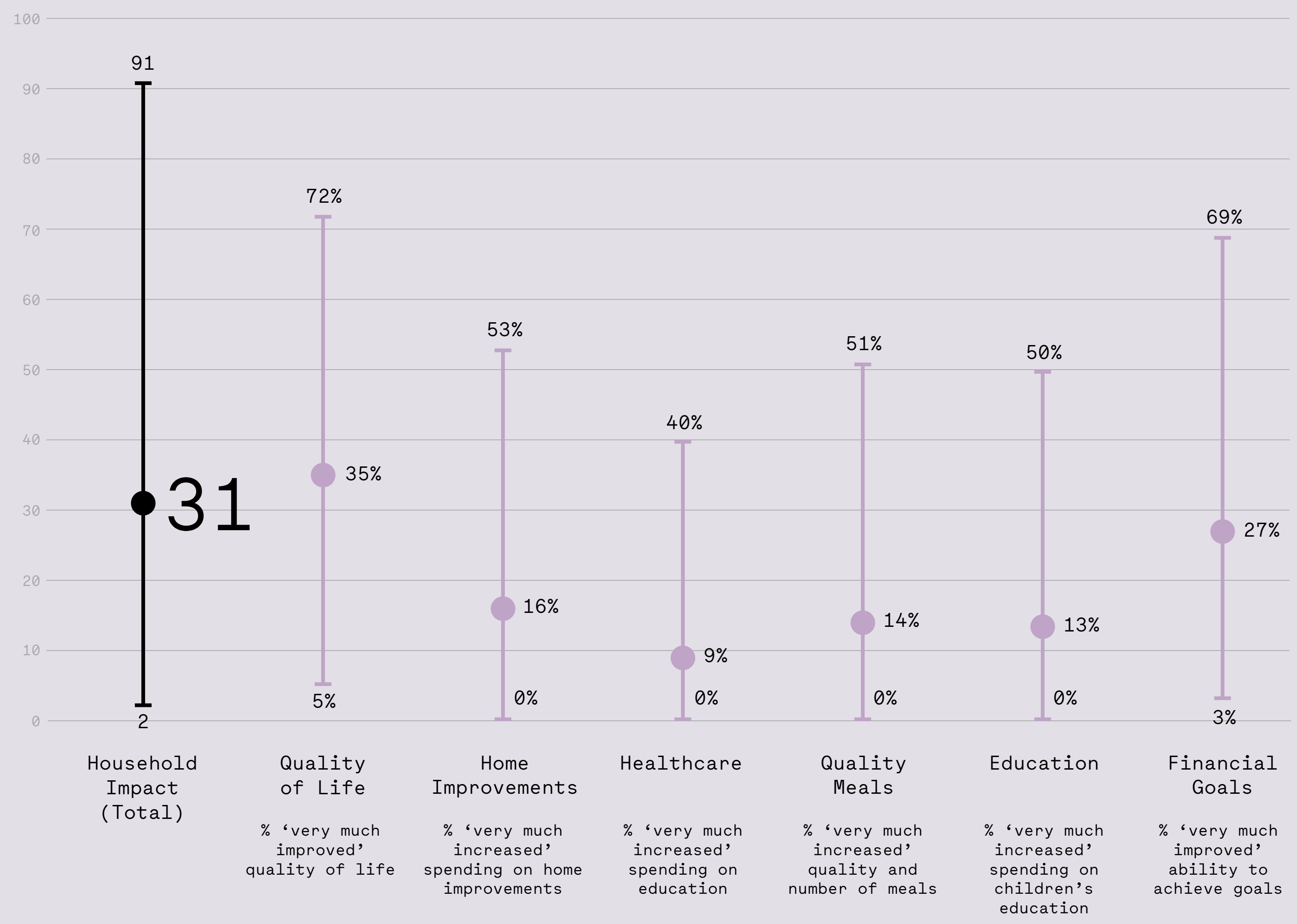
These are the most direct 'outcomes' measures in the MFI Index. Ultimately, we want to understand whether, and the extent to which, being a microfinance client has a direct positive impact on the well-being of the clients' household. This might be the result of direct spending of their loan—for consumption or investment in the household—or from increased business income resulting in more household disposable income. In addition, women microfinance clients may gain increased standing in their household, resulting in more say over how money is spent and an overall rebalancing of decision-making power.

Our Household Impact questions ask clients to what extent their overall quality of life has changed because of the MFI, and then ask open-ended qualitative questions to allow clients to describe these changes in their own words. To understand household well-being changes, we ask questions about changes in a households' food consumption, education, healthcare, and home improvements because of the loan. We also directly ask clients if they are better able to achieve their financial goals. This is an intentionally subjective measure which correlates with improvements in financial well-being and financial empowerment. This approach also respects clients' rights to define for themselves what a successful outcome is from their use of financial services, rather than having these outcomes be defined by other stakeholders .

The Household Impact benchmark is the largest dimension in the Index, and it incorporates six equally weighted metrics. Households are diverse in size, composition, and location—imagine two households served by the same Kenyan microfinance institution, the first household on the bustling streets of Nairobi and the second at the foothills of Mount Kenya in Nyeri. This diversity of composition can result in different household priorities: one household may have four children and prioritize spending on the childrens' education and home improvements; the other household may have elderly family members who require more spending on healthcare. The breadth of indicators in our Household Impact dimension encompass these ranges of household priorities and goals.

Household Impact Benchmark Performance

Key: ● Dimension Benchmark ● Indicator Benchmark ⊢ Range (Minimum to Maximum)



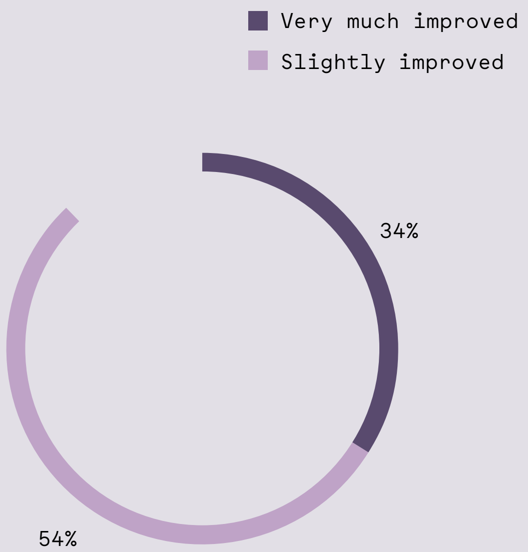
Top 5 Household Impact Insights

1.

1 in 3 clients report 'very much improved' quality of life.

We, like much of the microfinance sector, are particularly interested in how microfinance loans translate to household impact. 34% of clients say that their overall quality of life is 'very much improved' because of the microfinance loan, and 54% of clients saying their quality of life has 'somewhat improved.' This demonstrates that microfinance loans are not only increasing business incomes (captured in the previous section), but that those income increases are mirrored in positive personal outcomes.

Figure 19: Change in Quality of Life
% of clients with improved quality of life (n = 17,772)

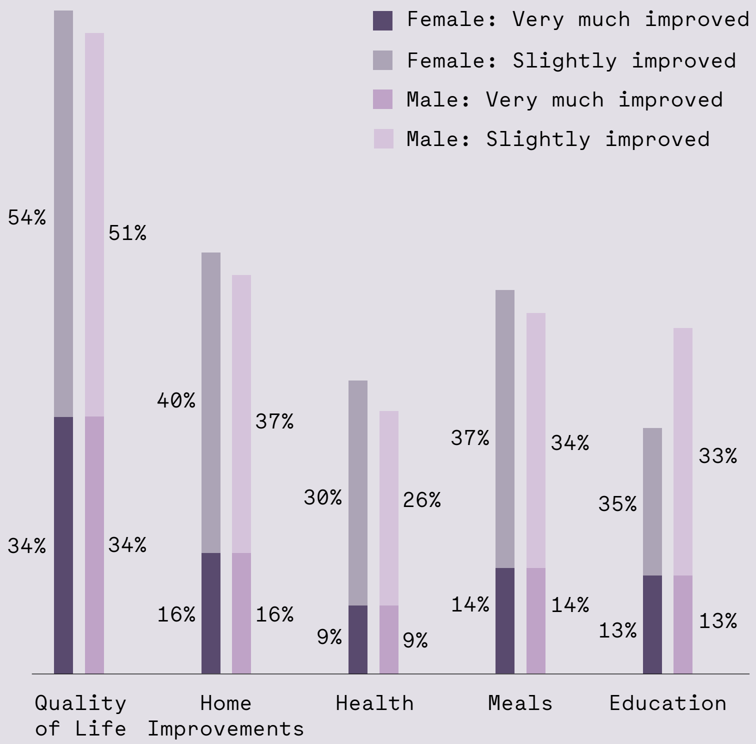


2.

Women, and their households, benefit more than men from MFI loans, but the differences are small.

Though the women in our sample are more likely than men to report improvements, the difference between their responses and men's is small. The women in our sample are more likely to report overall improvements in quality of life in our four household-level indicators: changes in amount spent on home improvements; amount spent on children's education; frequency of ability to visit a healthcare provider; and number and quality of family meals.

Figure 20: Improved Household Outcomes by Gender
(n = 15,591 to 17,004)



3.

Materiality: what is most important to clients, in their own words.

We asked clients who say their quality of life 'very much' or 'slightly' improved an open-ended follow-up of "how did it improve?" We ask this question before our follow-up questions about any other changes in their lives or businesses so that we don't influence their response. Our goal is to hear their unfiltered take on what has changed in their lives.

Across MFIs, the top three themes clients mention when asked about improvements to their quality of life are: 1) an increased ability to invest in and grow their businesses (25% of clients); 2) an increased ability to afford household expenses and bills (19% of clients); and 3) generally increased income.

It is noteworthy that one quarter of clients (not just those whose quality of life improved) talk about their improvements to their businesses.

Figure 21: Top Quality of Life Themes
(out of a sample of 63 MFIs and 16,111 clients)

25%
Increased ability to invest in & grow their business

19%
Increased ability to afford household expenses & bills

17%
Increased income

4%
Increased ability to afford education

4%
Increased ability to afford assets

4.

Clients who are part of MFIs with mainly group lending methodologies are more likely to say they have a financial goal and to report improvements in their ability to achieve the goal because of the MFI.

While nearly all clients say they have a financial goal, the results are somewhat stronger for clients of group lending MFIs: 96% of clients of MFIs that primarily offer group loans have a financial goal, compared to 91% of clients of MFIs with individual loans.

More notably, clients of MFIs with mainly group lending models are 10 percentage points more likely to say their ability to achieve their financial goal has improved: 84% total improvement versus 73%, with the proportion saying 'very much improved' at 29% versus 23%, respectively.

Figure 22: Company Role in Goal Achievement by MFI Primary Lending Methodology
(n = 14,091)

Top 5 Household Impact Insights (Continued)

5.

Clients of MFIs that offer non-financial services are more likely to report having a goal and an increased ability to achieve it.

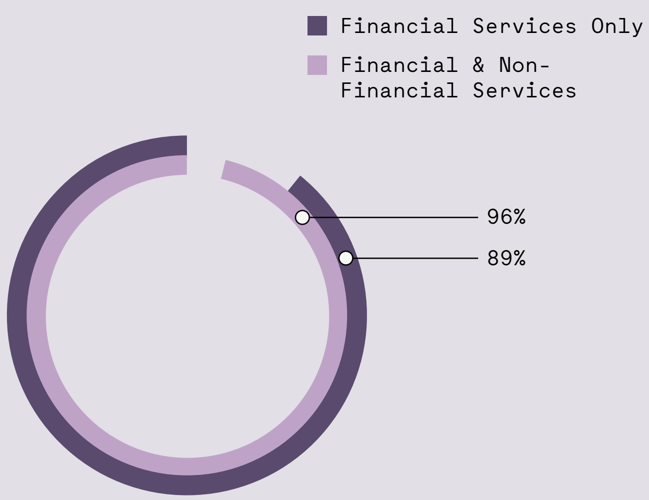
Similar to our group lending results, availability of wraparound services correlates with increased frequency of clients having a financial goal. 96% of clients of MFIs that offer wraparound services report having a financial goal compared to 89% of clients of other MFIs.

Clients with access to wraparound services are also 5 percentage points more likely to say that their ability to achieve their financial goals has increased thanks to the MFI: 80% of clients of MFIs with wraparound say they are better able to reach their financial goals, compared to 75% of other MFI clients.

Figure 23:

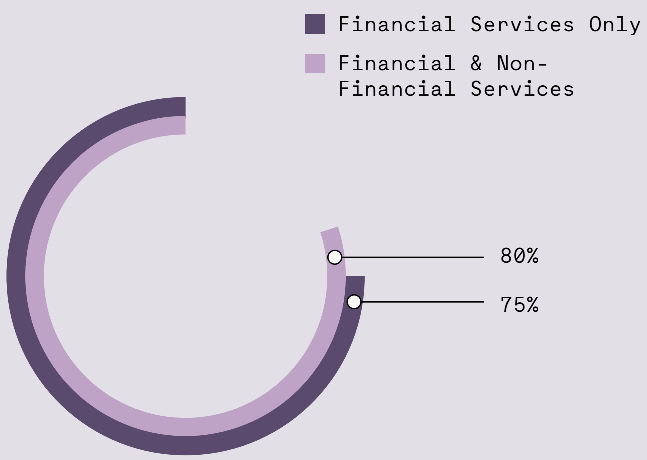
Financial Goals by Services Offered

% of clients who have a financial goal (n = 15,191)



Company Role in Goal Achievement by Services Offered

% of clients who are better able to achieve their financial goals because of the MFI (n = 14,373)



HOUSEHOLD IMPACT LEADER

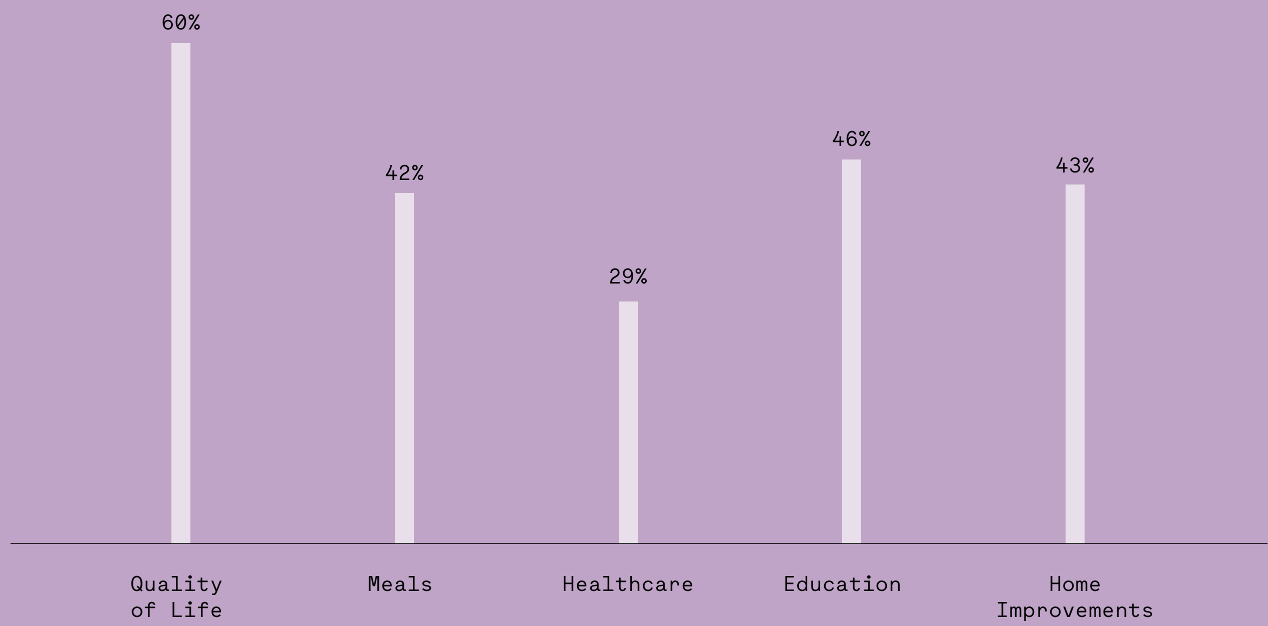
Accion Microfinance Bank

Nigeria

Accion Microfinance Bank aims at building a financially inclusive world by providing economic opportunities to small businesses, families, and communities in need.

Household Impact

% 'very much increased / improved'



"Now, I can take care of my major financial needs, like paying for my children's' school fees, investing more money in my business and buying household items, like TV, sofa and refrigerator.

77
Accion Household Impact Score

31
Benchmark Household Impact Score

Dimension Details

Financial Management

While microfinance has proven highly beneficial to clients and households, access to finance, especially to loans, comes with risk: overindebtedness.

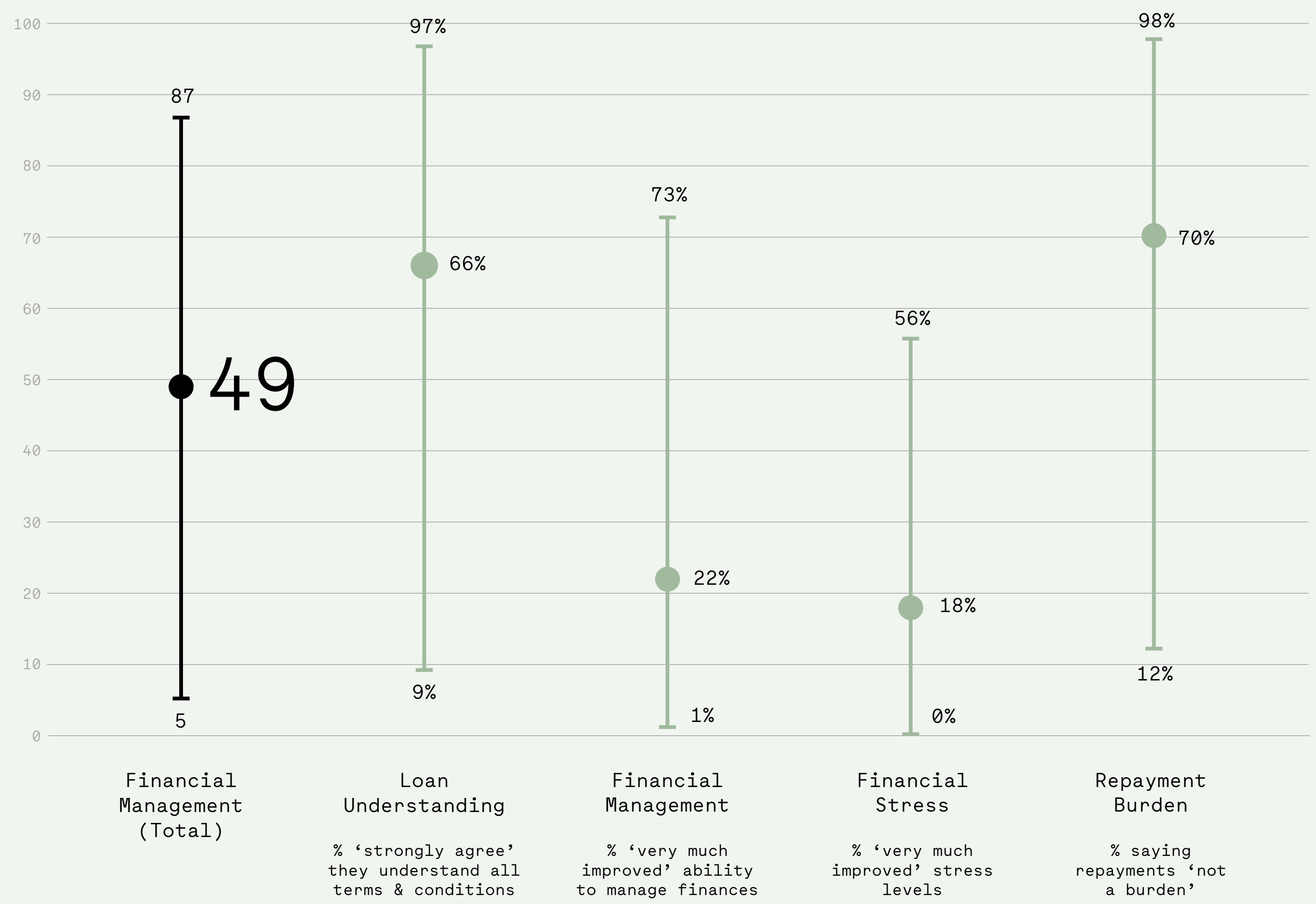
Whether because loans are used for non-productive purposes or simply because clients do not fully understand the cost of credit, lending can hurt clients as much as it can help them. Progressive MFIs help clients by providing education and transparent disclosure about how loans work. This helps clients make informed decisions about the costs and benefits of their loans, and supports clients' successful loan management.

The 60dB Financial Management benchmark measures the degree to which clients are informed of the MFI's loan conditions prior to borrowing. It also measures the impact loans have on clients' ability to manage their finances. The benchmark includes four measures: clients' loan understanding, improved ability to manage finances, decreased financial stress, and repayment burden.

Financial Management Benchmark Performance

Overall, clients say they understand their loans' terms and conditions, and a significant number of clients say they experience less financial stress and are more able to manage their finances. 70% of clients 'strongly agree' that they understand their loan terms and conditions and that loan repayments are 'not a problem.' Furthermore, 20% of clients 'agree' that their stress about finances and ability to manage finances has 'very much improved' because of their MFI loan.

Notably, clients who say they use their loan for a business purpose report significantly better results for Financial Management: they are more likely to say they are able to manage their finances, stress, and repayments because of the MFI loan. Other characteristics—including clients' gender and access to non-financial services—do not correlate with differences in clients' financial management outcomes.



Top 4 Financial Management Insights

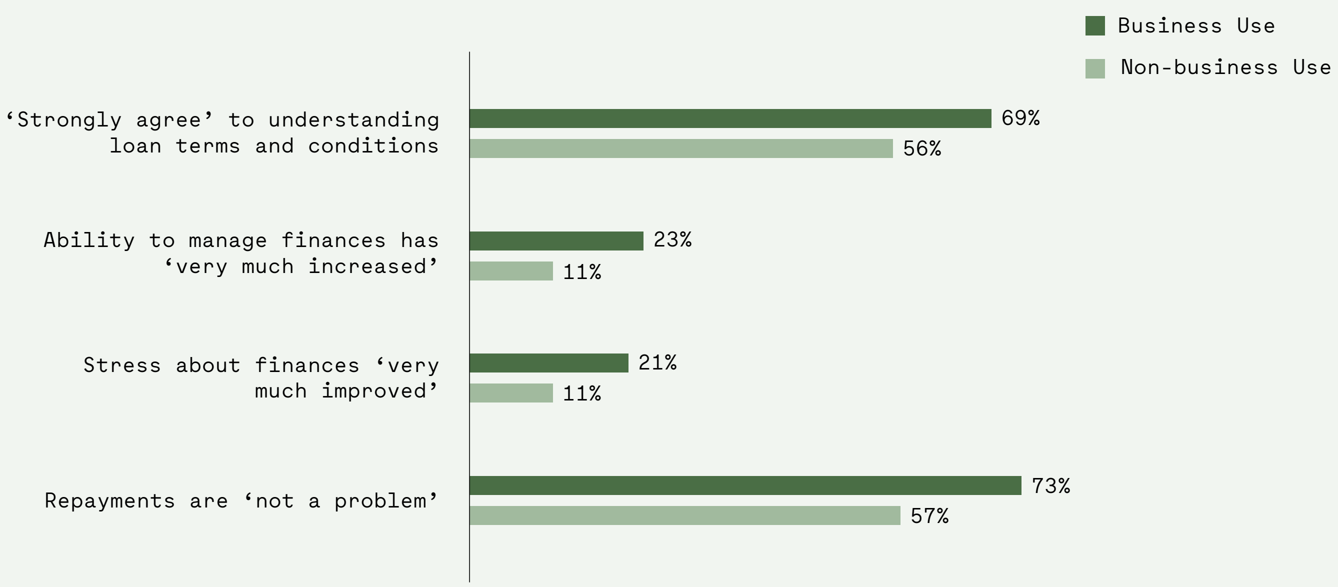
1.

If clients use their loan for a business purpose, they are more likely to see better financial management outcomes.

MFI clients who use their loan for a business have better outcomes across all four indicators in the 60dB Financial Management dimension: understanding their loan terms and conditions, their ability to manage finances, stress related to finances, and their repayment burden.

These business owners' financial management results are at least 10 percentage points higher across each of these four dimensions, the greatest difference being 16 percentage points. When comparing clients using loans for business purposes to those who are not, they are more likely to say; they understand their loan terms and conditions, have increased their ability to manage their finances, their stress about finances has improved, and their repayments are 'not a problem'.

Figure 24: Financial Management Outcomes by Loan Use



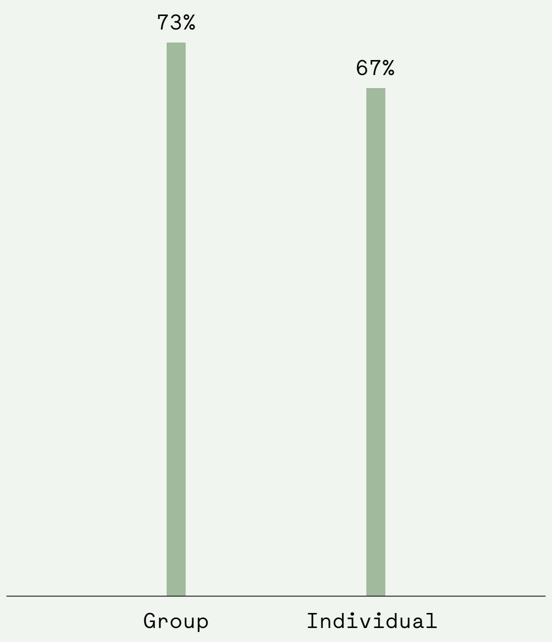
2.

Clients of MFIs that primarily engage in group lending are more likely to say they understand their loan terms and conditions.

While the majority of clients (67%) say they 'strongly agree' that they understand their loan terms and conditions, clients of primarily group lending MFIs report they are more likely to understand their loan terms and conditions (72%) compared to individual lending clients (67%). One hypothesis is that clients rely on both the microfinance institution and their groups to understand their loan terms and conditions. It's also possible that group lending organizations are more likely to require training prior to loan disbursement.

Figure 25: Understanding Loan Terms and Conditions by MFI Primary Lending Methodology

% of clients who 'strong agree' to understanding their loan terms and conditions (n = 14,562)



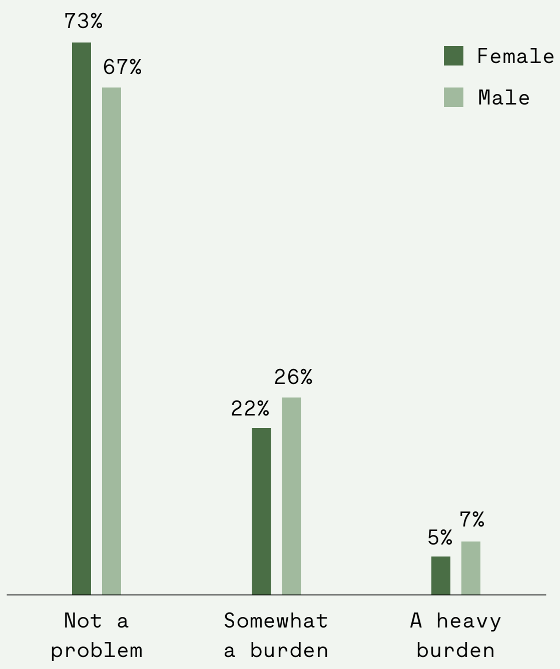
3.

Women are more likely than men to say that loan repayments are 'not a problem.'

Women borrowers have traditionally demonstrated higher repayment rates compared to men. This is consistent with our data about how women clients perceive their loan repayments: 73% of women borrowers say that their loan repayments are 'not a problem' compared to 67% of men.

Among all other financial management indicators—loan understanding, stress about finances, and ability to manage finances—women borrowers report similar outcomes to men. Among both men and women borrowers, 22% say their ability to manage their finances 'very much increased,' 35% say their stress about finances has decreased because of the MFI loan, and 67% of clients say they understand their loan terms and conditions, with no notable differences between men and women.

Figure 26: Repayment Burden by Gender
(n = 16,853)



Top 4 Financial Management Insights (Continued)

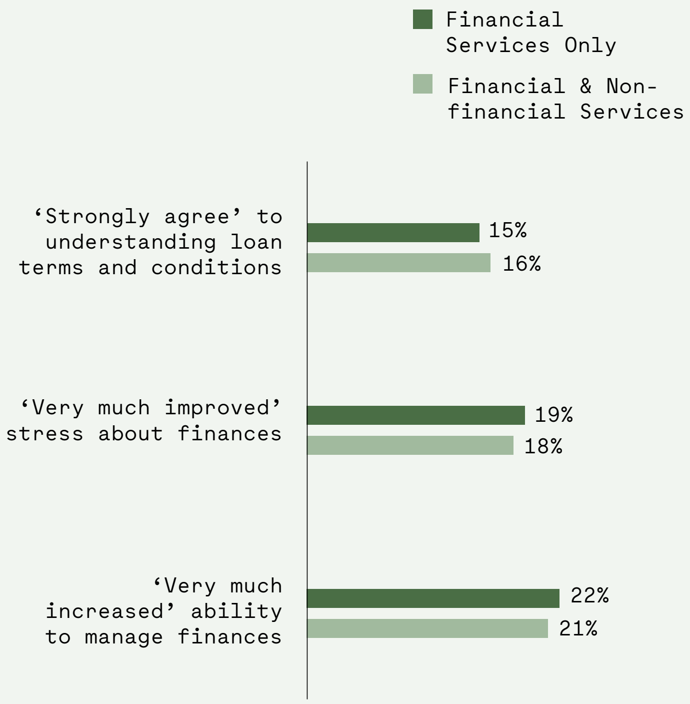
4.

Non-financial services do not have an impact on financial management outcomes for clients.

About half of the MFI institutions in the Index offer non-financial services to clients. These services range from women's empowerment training to health services. These services are designed to enhance the impact of the financial services the MFI provides.

Interestingly, clients of MFIs offering wraparound services do not report outsized impact in any of the 60dB financial management indicators: they report similar levels of understanding their loan terms and conditions, ability to manage their finances, and stress about finances as clients of MFIs that do not offer these services.

Figure 27: Financial Management Outcomes by Services Offered
(n = 14,982)



FINANCIAL MANAGEMENT LEADER

ECLOF

Kenya

ECLOF provides financial and non-financial services to micro, small and medium entrepreneurs in Kenya. The loan products are targeted towards the bottom of the pyramid who do not have access to formal financial services.

92%
'Strongly agree' they understand the terms and conditions of their loan

47%
Say their ability to manage finances has very much improved

74%
Report their repayments are 'not a burden'

51%
Say their stress levels have 'very much decreased'

"I have been able to increase my finances by adding stock to my shop. This has made me financially stable to a point that I can take care of my family's expenses and pay my loan back without the hustle. Life has become easier.

81
ECLOF Kenya Financial Management Score

49
Benchmark Financial Management Score

Dimension Details

Resilience

It's well-known that a household's path out of poverty can be undermined by unforeseen financial shocks. For example, in December 2021 the WHO and World Bank[10] estimated that COVID-19 pushed as many as a half a billion people into poverty or extreme poverty.

Without savings to fall back on, external shocks like an unexpected health emergency or even bad weather can hit families hard, forcing them to cut back on food, to pull kids out of school, or to stop investing in the family business.

Microfinance credit can provide a cushion to withstand these shocks. It can improve clients' incomes, increase savings, improve ability to manage finances, or give access to timely emergency loans.

The 60dB Resilience benchmark measures the degree to which clients are financially prepared for an unforeseen economic shock, and the impact the MFIs loan had on the clients' preparedness. In addition to measuring improved customer resilience, we also check for negative impacts, by asking clients whether they are making sacrifices to cover the cost of loan repayments.[11]

10. World Health Organization. (2021, December 12). More than half a billion people pushed or pushed further into extreme poverty due to health care costs. https://www.who.int/news/item/12-12-2021-more-than-half-a-billion-people-pushed-or-pushed-further-into-extreme-poverty-due-to-health-care-costs

11. See page 91 in the appendix for survey questions used

Resilience Benchmark Performance

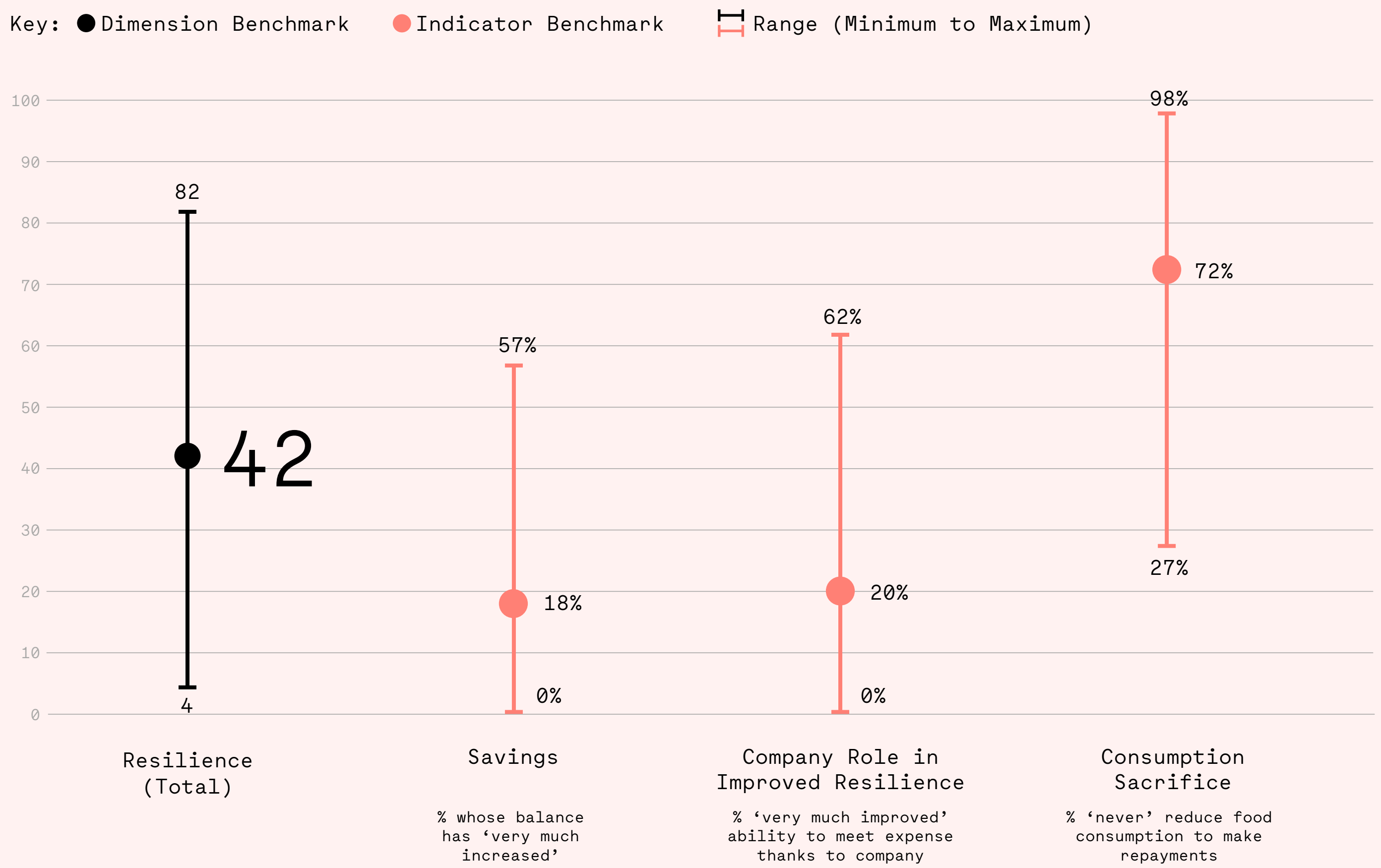
Historically, many hoped that microlending would create a reliable path out of poverty. Over time, it's become clear that this path has many steps, and that financial resilience is a more achievable step on this journey. Financial resilience correlates with improvements in families' financial situations and also means families are protected against the inevitable financial and non-financial shocks that may come their way.

In this context, it's heartening to see that about 7 in 10 microfinance clients say that both their savings levels and their overall levels of financial resilience have improved thanks to their access to microfinance.

These numbers are all the more impressive in the aftermath of COVID-19 and its associated economic and personal impacts. Given the magnitude of this external shock, coupled with all the other ongoing challenges that microfinance clients are facing, the persistence of an improved financial situation and the experience of significant improvements on the part of 17-20% of clients is a robust finding.

Our measurement of Resilience also includes a negative indicator: how often clients have to reduce their food consumption to make payments. In total, 29% of clients say they have reduced their food consumption at some point to make loan repayments, which appears to be a high number. That said, only 3% of clients report 'regularly' reducing food consumption, with 12% reporting they 'sometimes' do and 14% 'rarely' do. This roughly correlates to the number of clients who report heavy repayment burden: 30% of clients report their loan repayments as a burden (6% say a 'heavy burden' and 24% say 'somewhat of a burden').

This is an important metric to track: all lending instruments have potential for great positive impact coupled with the risk of creating consumption sacrifices. Microfinance loans are no different. Ideally, good client screening and client protections would mean that the 'regularly' reduce food consumption figure would be 0%, and we do see that 11 MFIs included in this Index have 0% of clients who say they 'regularly' reduce food consumption.



Top 4 Resilience Findings

1.

Group Lending-Focused MFIs have stronger results.

One of our strongest Resilience results was that clients of MFIs that primarily focus on group lending report larger increases in their savings balances and stronger improvement in their ability to meet emergency expenses.

Specifically, the percentage of clients of MFIs with primarily group lending reporting improvements in savings balance was 77% versus 60% for clients from MFIs primarily offering individual loans. Clients of group lending MFIs are also more likely to say their ability to meet an emergency expense has improved (77%) than clients from MFIs with primarily individual loans (67%).

These trends continue to play out when we look at the 'very much improved' responses. While the benchmark for 'very much improved' savings balance was 17% for our full data set, the number for primarily group lending MFIs was 20% compared to 14% for MFIs that offer individual loans.

Figure 28: Savings Balance by Lending Methodology

% of clients whose savings balance increased by lending methodology (n = 14,639)

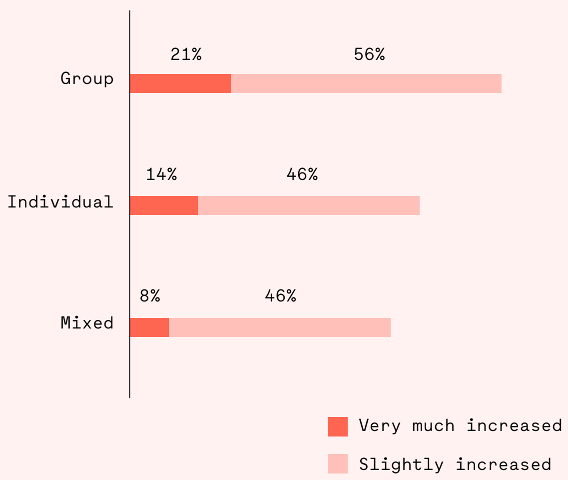
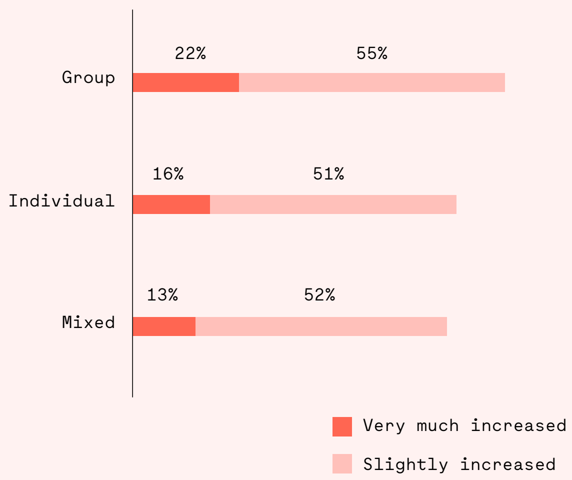


Figure 29: Ability to Face an Emergency Expense

% of clients whose ability to face an emergency expense improved by lending methodology (n = 14,427)



2.

Wraparound services do not necessarily correlate with improved resilience for clients.

A central debate in microfinance is how much power the core product—provisioning of the loan itself—drives results, and whether wraparound services consistently improve client outcomes.

Curiously, 31% of clients of MFIs who say they offer non-financial services say they have had to reduce food consumption to make a loan payment, compared to 24% of clients of MFIs that don't offer these services. They are also 3 percentage points less likely to have increased their savings balance (66% and 69%), and they are slightly less likely to report improvement in their ability to fund an emergency expense (70%) than those with solely financial services (74%). Of course, it could be that MFIs offering wraparound services are lending to a more vulnerable clientele (MFIs with wraparound services have an inclusivity ratio of 0.78 versus 0.58 for those without), and the services they offer aren't powerful enough to overcome these differences. Or, it may be that there's a significant gap between the seemingly-simple "yes/no" of offering wraparound services and the consistency and depth of these services: some MFIs may say they offer these services, but they might be poorly delivered and have minimal impact on clients.

3.

Clients who invest in their businesses are seeing increased resilience.

The core premise of microfinance is that clients can put loans to good use and that this investment will improve their well-being. Our data show exactly this correlation: clients who use some or all of their loans for business purposes are 16 percentage points more likely to say it would be easy to come up with an emergency fund[12] compared to clients who use their loans solely for personal expenses (45% vs. 29%). There is even a greater difference in increased savings balance between these two groups: 73% of clients who invest in their businesses say their savings balance increased compared to 39% of clients who use loans for personal expenses only.

This is strengthened by the fact that there is a correlation between clients who use their loans for business and in the magnitude of increase of income reported (even if we remove the % of clients who say they do not have a business). 84% of clients who use their loans at least partly for business report increased income, compared to 31% of clients who use their loans solely for personal expenses.

Figure 30: Resilience Outcomes by Services Offered
(n = 14,253 to 14,981)

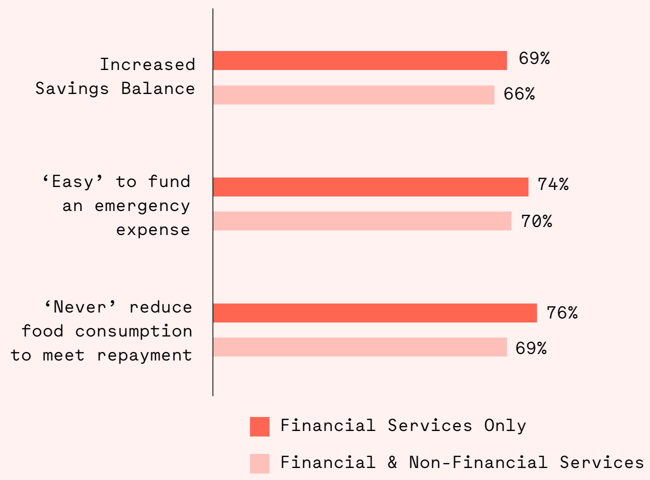
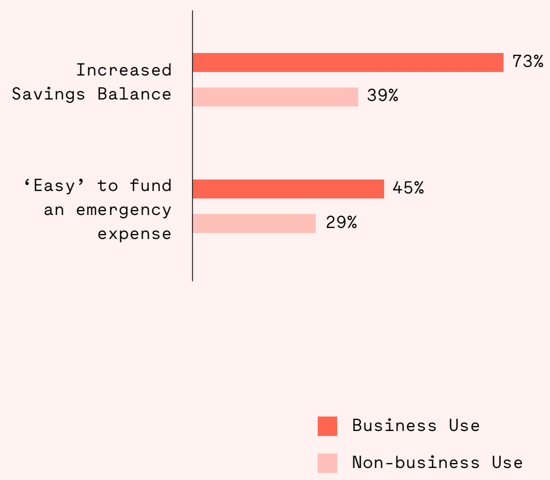


Figure 31: Resilience Outcomes by Loan Use
(n = 15,304 to 17,161)



Top 4 Resilience Findings (Continued)

4.

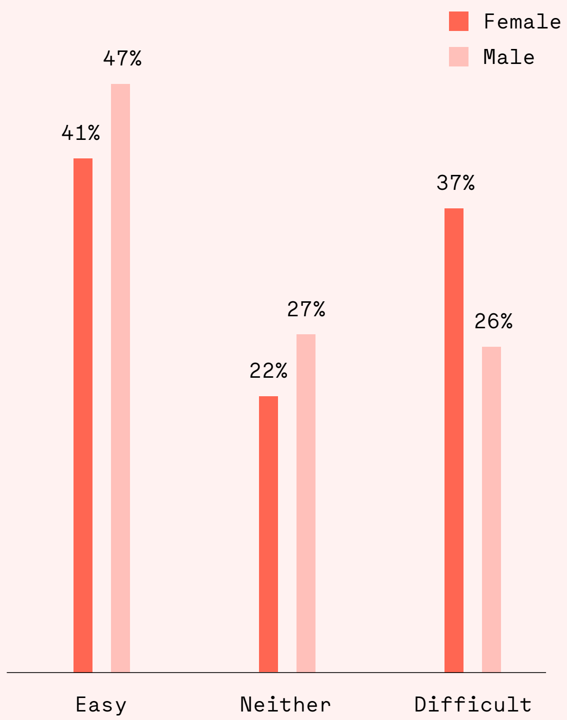
MFI respondents report higher confidence in being able to deal with a future shock than the population as a whole, though women remain more vulnerable.

We wanted to understand how our results compare to population-level surveys of financial resilience. In 2017 (the most recent available data), the Global Findex reported that 50% of adults in developing countries would not be able to fund an emergency expense of 1/20th Gross National Income (GNI) per capita. Conversely, of all the MFI clients we spoke to, only 34% say it would be difficult to come up with such an emergency expense, with 10% saying it would be 'very difficult' and 24% 'slightly difficult.'. While this isn't a perfect comparison—because of the different question construct and different moments in time—it suggests that the MFI clients we spoke to are more resilient than the average across developing countries.

It's important to note that both the Findex and the 60dB Microfinance Index found that women are more vulnerable to financial shocks. The Findex found that women in developing countries were 11 percentage points more likely to say they would be unable to come up with funds than male clients. We found similar results with MFI clients: 37% of women clients would find it 'very' or 'slightly' difficult to fund an emergency expense, compared to 26% of male clients.

The good news is that women clients are 5 percentage points more likely to say that their ability to fund an emergency expense has improved because of the MFI (73%) than men (68%).

Figure 32: Ease of funding an emergency expense by gender
(n = 14,540)



12. An emergency fund is considered 1/20th of the GNI per capita

LAPO

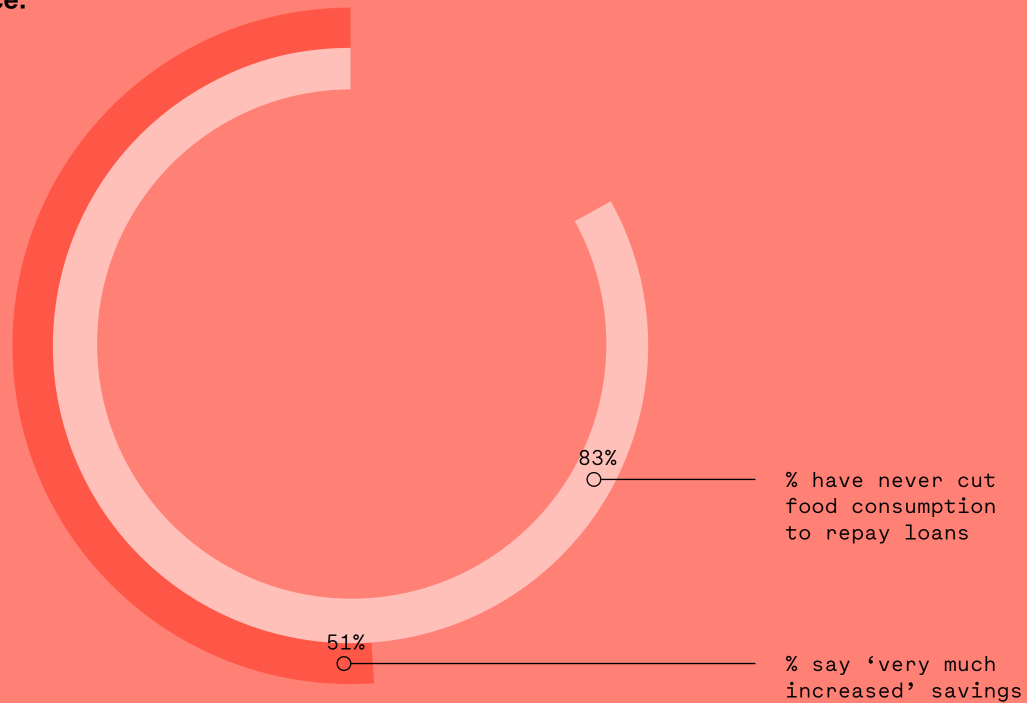
Sierra Leone

LAPO provides clients with business loans, educations loans, and other savings options based on their needs. They aim to provide ease of access to microcredits and bridge the social gap in the society.

48%

Resilience improved thanks to LAPO

Resilience:



"My business is flourishing and currently I have started saving to build a new house.

82

LAPO Sierra Leone Resilience Score

42

Benchmark Resilience Score

Geographic Snapshots

India

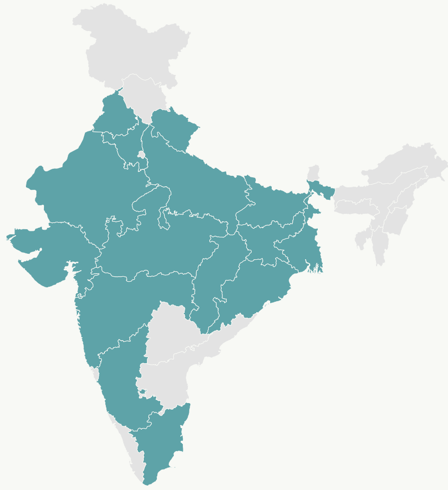
In India, we spoke to 2,022 clients of eight MFIs. Our in-country research assistants interviewed clients in eleven languages.

South Asia is one of the leading microfinance markets globally, with the largest number of borrowers. India, one of the largest markets in the region, has 3,000 MFIs serving nearly 42 million clients. In 2019, the latest date for which there is comprehensive data, the sector was growing rapidly, with a 40% annual growth in loan portfolio.

2,022
clients

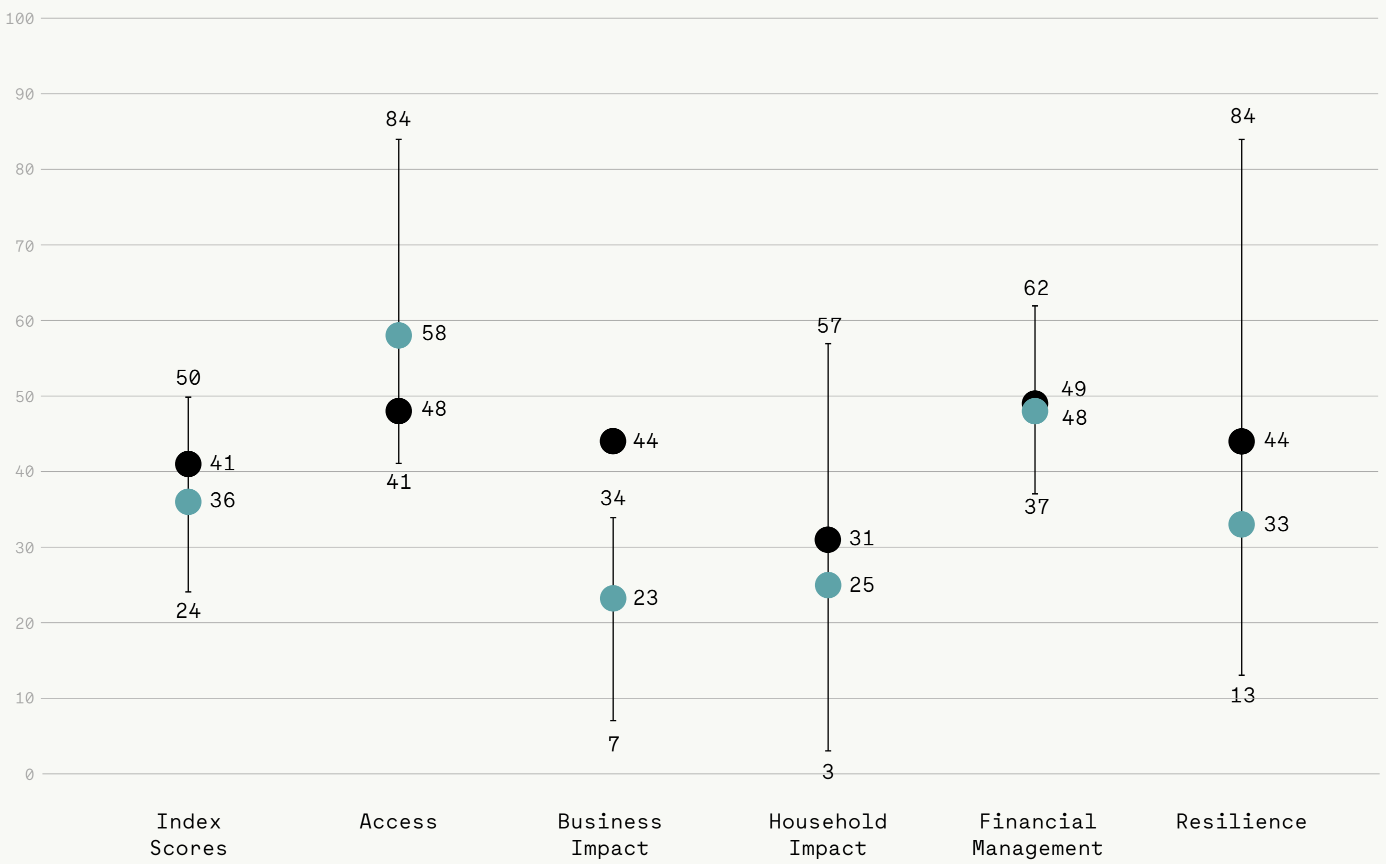
11
languages

8
MFIs



Index performance in India versus overall:

Key: India Benchmark 60dB Benchmark Range (Minimum to Maximum)



Insights

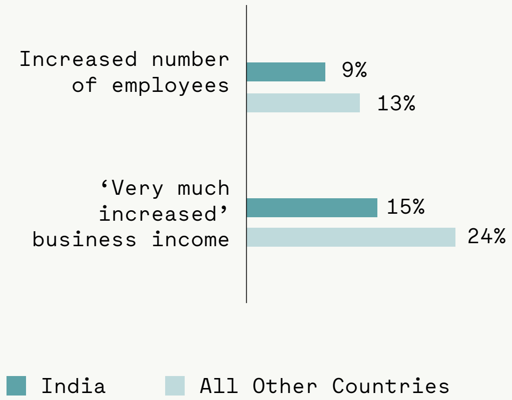
1.

Despite using their loan for business purposes, MFI clients in India say their microfinance loan does not impact business growth to the degree it does in other countries.

Our Business Impact dimension considers both income and employment changes. For both indicators, respondents in India are less likely to say they 'very much increased' their income (15%) or 'increased' the number of people they employ (9%) compared to the average of respondents elsewhere (24% and 13% respectively). Furthermore, clients in India are significantly more likely to say their business does not have employees compared to the average elsewhere (68% compared to 50%).

Surprisingly, the reason for this difference is likely not because of how loans are used. In fact, India clients are 11 percentage points more likely to report they used their MFI loan for at least some business purpose compared to respondents in other countries (84% versus 72% respectively). We hypothesize that microfinance borrowers in India simply find it harder to grow their businesses—this could be due to characteristics of their loans or, more likely, to external factors beyond the loan itself.

Figure 33: Business Outcomes in India
(n = 17,503 to 17,508)



2.

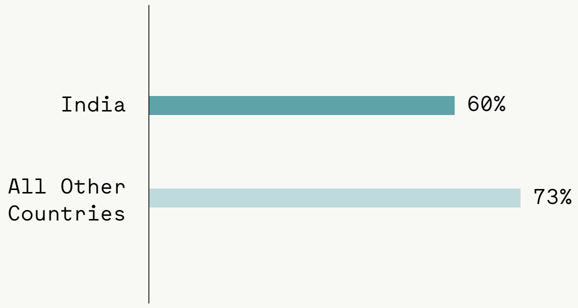
Clients in India are more likely to report reducing their household food consumption in order to meet loan repayments compared to clients in other countries.

The Resilience benchmark average in India is lower than the global 60dB Resilience benchmark — primarily driven by the fact that clients in India were more likely to reduce their household food consumption to meet repayments. 73% of respondents elsewhere say they 'never' reduced their households' food consumption to meet repayments compared to 60% in India.

Similarly, 19% of Indian clients report 'yes, rarely' and 17% report 'yes, sometimes' reducing household food consumption in order to meet loan repayments, compared to 13% and 11% for respondents elsewhere.

Figure 34: Never Reducing Food Consumption for Loan Repayment in India

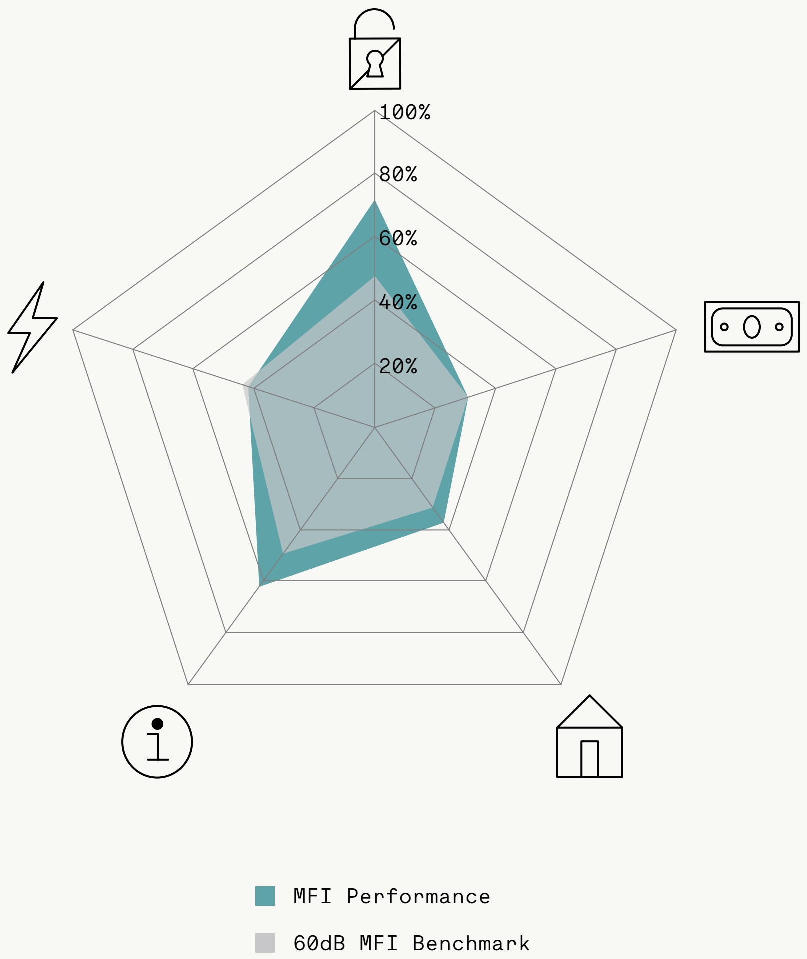
% of clients never having to reduce food consumption to meet repayment (n = 14,253)



Annapurna, India

60 Decibels India Leader

Annapurna is dedicated to the financial inclusion of under and unbanked sectors of India like women from rural households, people with disabilities, and MSMEs, with innovative products. They are committed to ensure quality of customer experience and holistic development of the beneficiaries across 21 states of India.



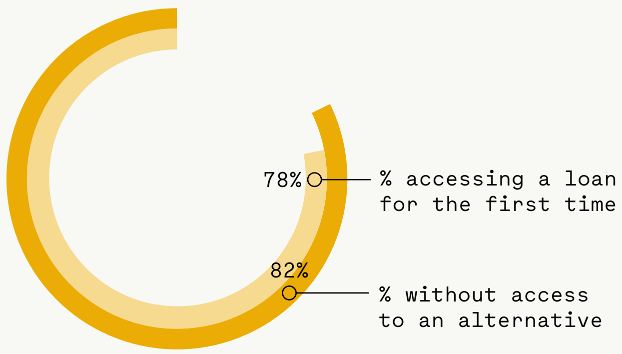
1.8m
Clients

$833m
Total Assets (USD)

Group
Primary Lending Methodology

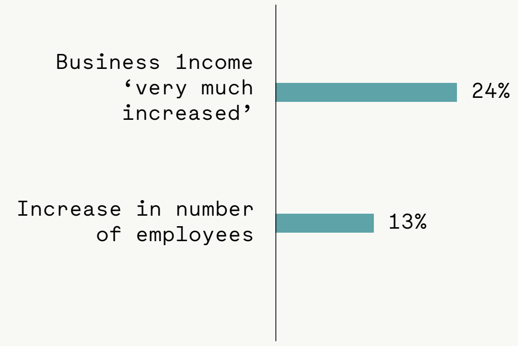
> "I invested the money in good quality fertilizers, seeds, and compost. My overall production has improved, and I am able to earn an income out of farming.

Access



1.0
Inclusivity Ratio

Business Impact

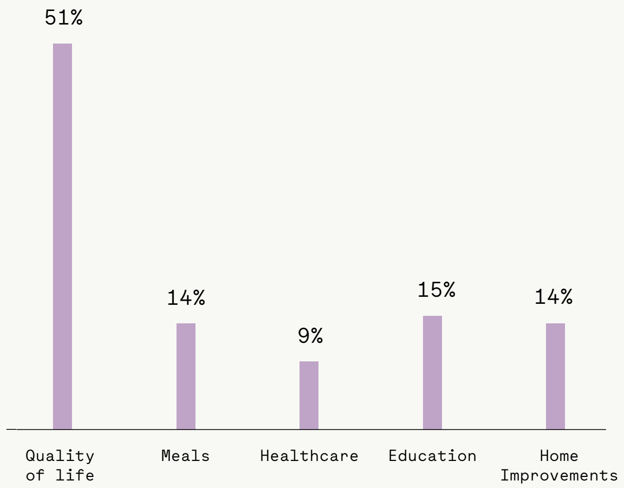


1.8
Avg. # of employees before

4.4
Avg. # of employees after

Household Impact

% 'very much increased / improved'



Financial Management

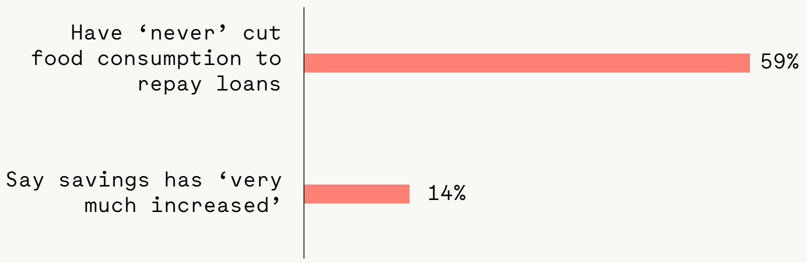
81%
'Strongly agree' they understand the terms and conditions of their loan

18%
Say their ability to manage finances has 'very much improved'

69%
Report their repayments are 'not a burden'

42%
Say their stress levels have 'very much decreased'

Resilience

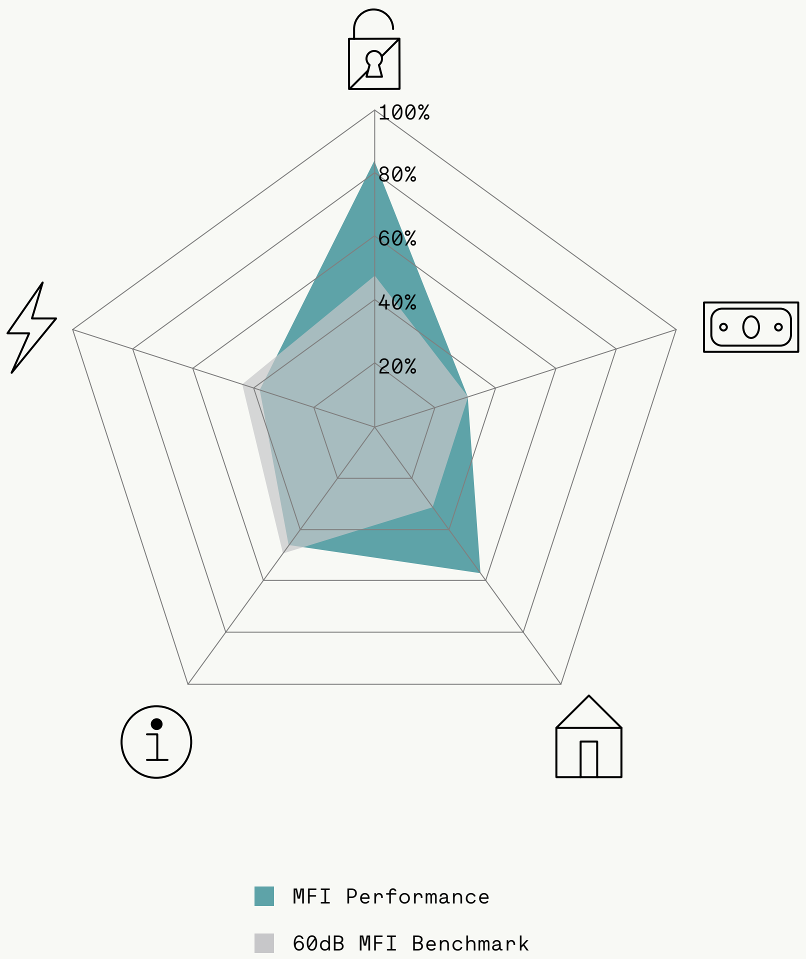


25%
Resilience improved thanks to Annapurna

Cashpor, India

60 Decibels India Leader

Cashpor focuses exclusively on women borrowers who live below the poverty line in five states of India. They also deliver other vital services like health and education which is vital for poverty alleviation and help them to bring out themselves and their family from inter-generational poverty.



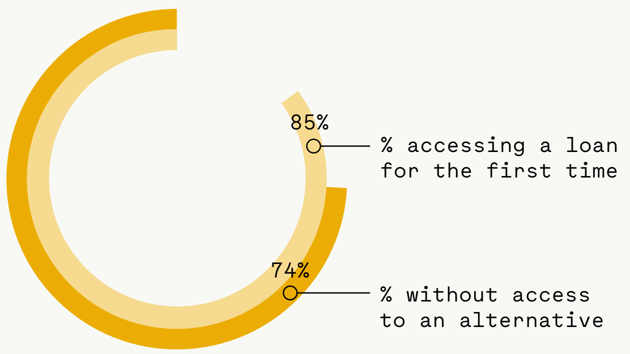
1.1m
Clients

$358m
Total Assets (USD)

Group
Primary Lending Methodology

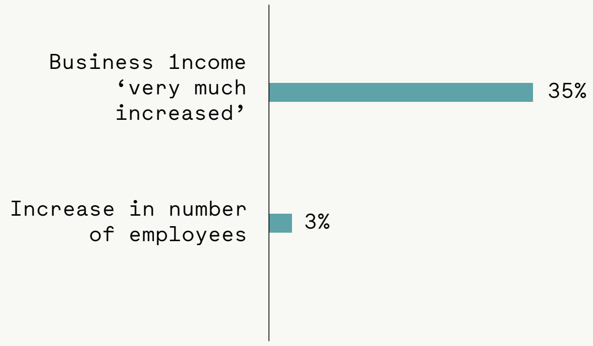
> “Earlier we didn’t have proper clothes to wear or a house to stay in. But now, because of the loan, we have a proper house with two rooms, a motor to fetch water, a TV, a gas cylinder and a business to run.

Access



1.58
Inclusivity Ratio

Business Impact

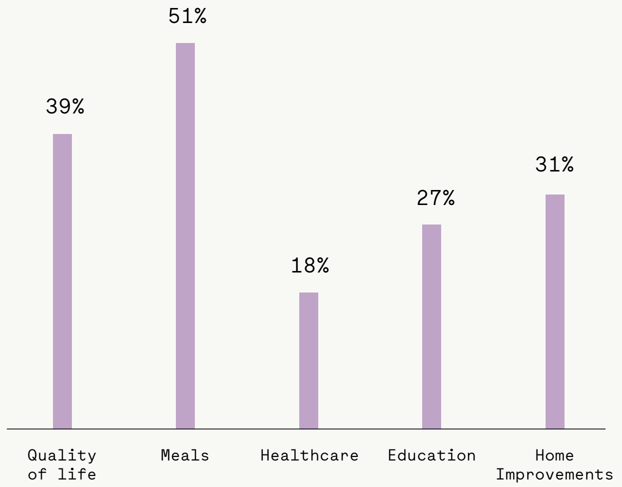


0.2
Avg. # of employees before

2.2
Avg. # of employees after

Household Impact

% ‘very much increased / improved’



Financial Management

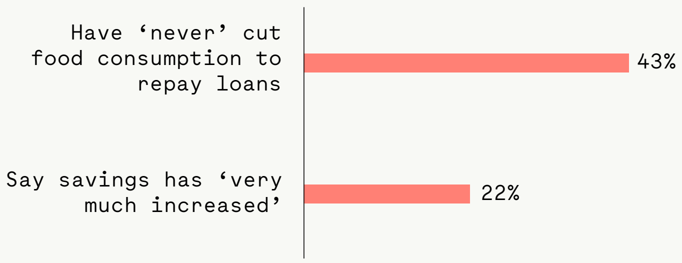
65%
‘Strongly agree’ they understand the terms and conditions of their loan

26%
Say their ability to manage finances has ‘very much improved’

45%
Report their repayments are ‘not a burden’

26%
Say their stress levels have ‘very much decreased’

Resilience



19%
Resilience improved thanks to Cashpor

Latin America & The Caribbean

In Latin America and the Caribbean, we spoke to 2,960 clients of thirteen MFIs in nine countries: Bolivia, Colombia, the Dominican Republic, Ecuador, Guatemala, Haiti, Honduras, Mexico, and Nicaragua. Our in-country research assistants interviewed clients in six languages: Creole, English, French, K'iche, Kaqchikel, and in Spanish.

2,960 clients

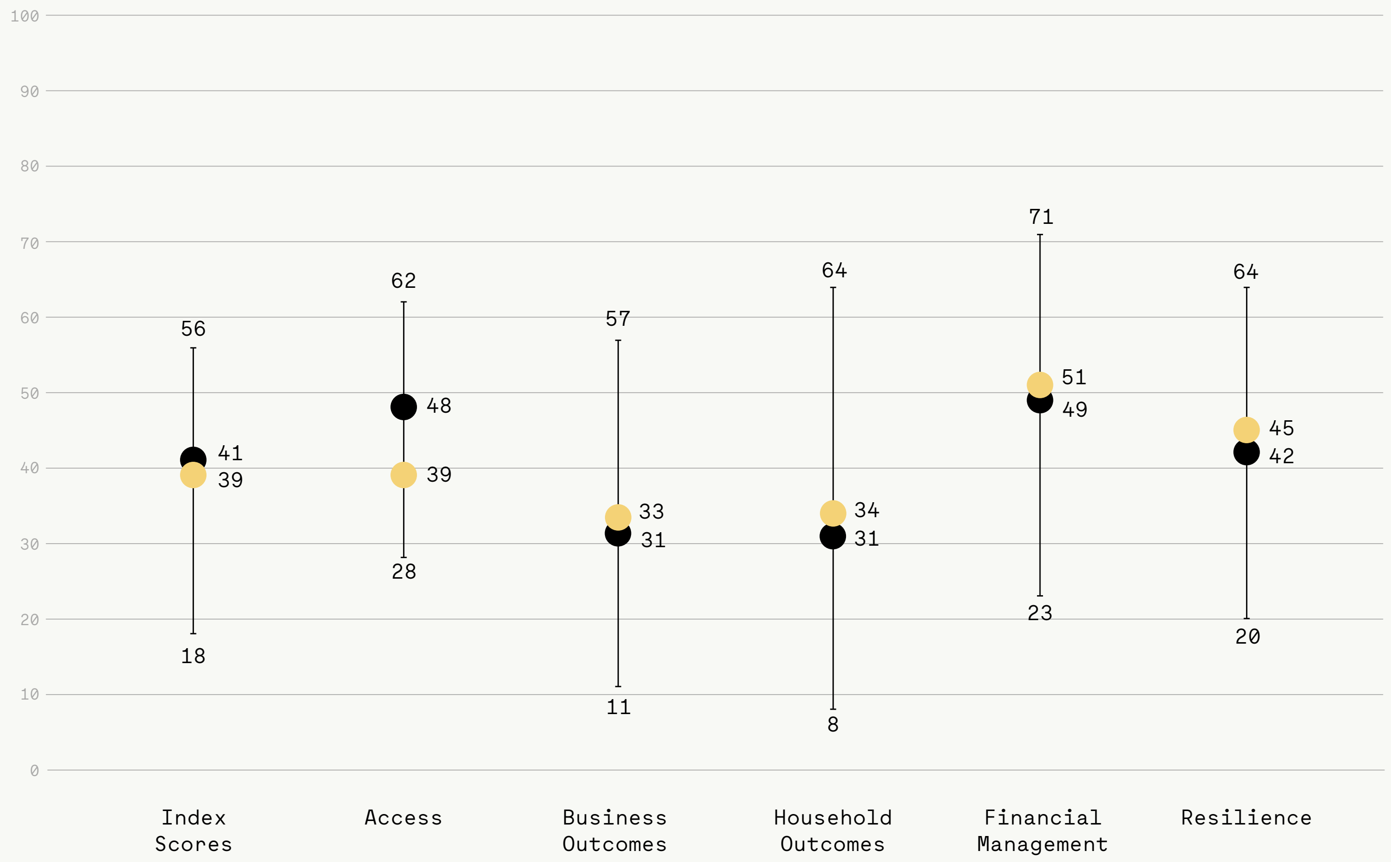
13 MFIs

9 countries

6 languages

Index performance in LAC versus overall:

Key: LAC Benchmark · 60dB Benchmark · Range (Minimum to Maximum)



Please note the minimum and maximum on these charts are for MFIs in LAC only.

Insights

1.

MFIs in Latin America and the Caribbean are serving clients who already have better access.

Clients in Latin America and the Caribbean are less likely to be accessing a loan for the first time (51% vs. 60%), and they are much less likely to report not being able to easily find a good alternative to the MFI (40% could not find a good alternative compared to 63% in other regions). This may correlate with LAC MFIs being relatively less likely to serve the poorest clients: the median inclusivity ratio of MFIs in Latin America and the Caribbean is 0.55, compared to 0.61 in other regions.

Figure 35: Access Outcomes in LAC
(n = 15,304 to 17,161)

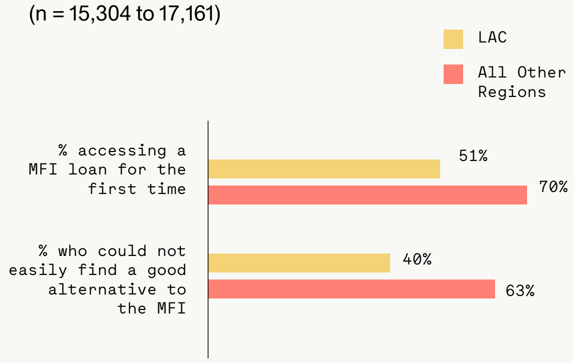
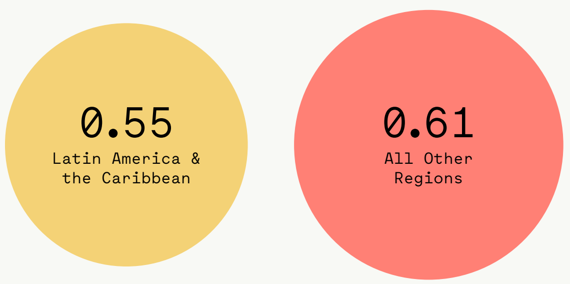


Figure 34: Inclusivity Ratio in LAC
Median Inclusivity ratios (n = 17,099)



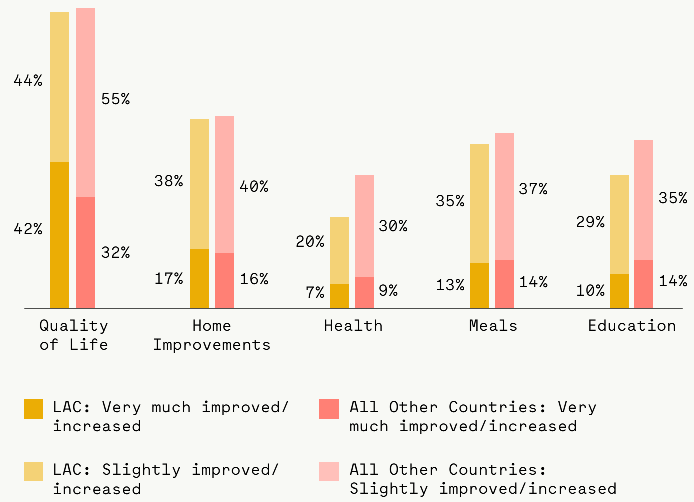
2.

Clients in Latin America and the Caribbean, despite having a better standard of living to begin with, show nearly equal improvements in household outcomes.

On average, clients in Latin America and the Caribbean are financially better off than the other MFIs clients we spoke to. This might suggest that these clients—who start with a higher standard of living—would experience lower increases in quality of life and on the other four household outcomes.

This does not play out in practice: there are small differences between client household outcomes in Latin America and the Caribbean compared to the rest of our regions. Clients in LAC are actually ten percentage points more likely to report 'very much improved' quality of life (42%) than in other regions (32%). They also report bigger increases in the frequency of healthcare visits and spending on education.

Figure 36: Household Outcomes in LAC
(n = 16,255 to 17,772)

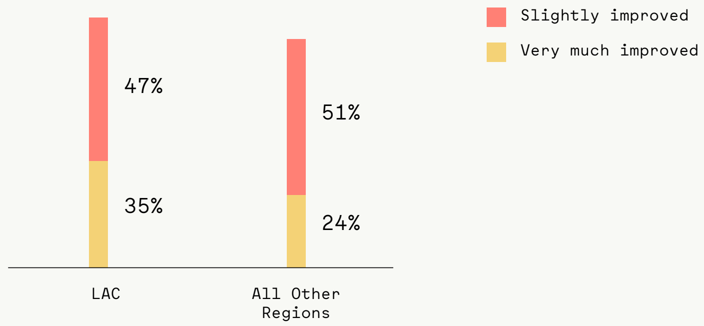


3.

Clients of MFIs in Latin America & the Caribbean are more likely to have a financial goal and they report being more empowered to achieve it thanks to the MFIs.

Clients of MFIs in LAC are five percentage points more likely to report having a financial goal and eleven percentage points more likely to say their ability to attain these financial goals has 'very much improved' because of the MFI. This could mean that the 'wraparound' services provided by LAC MFIs are relatively more effective than those offered in other regions.

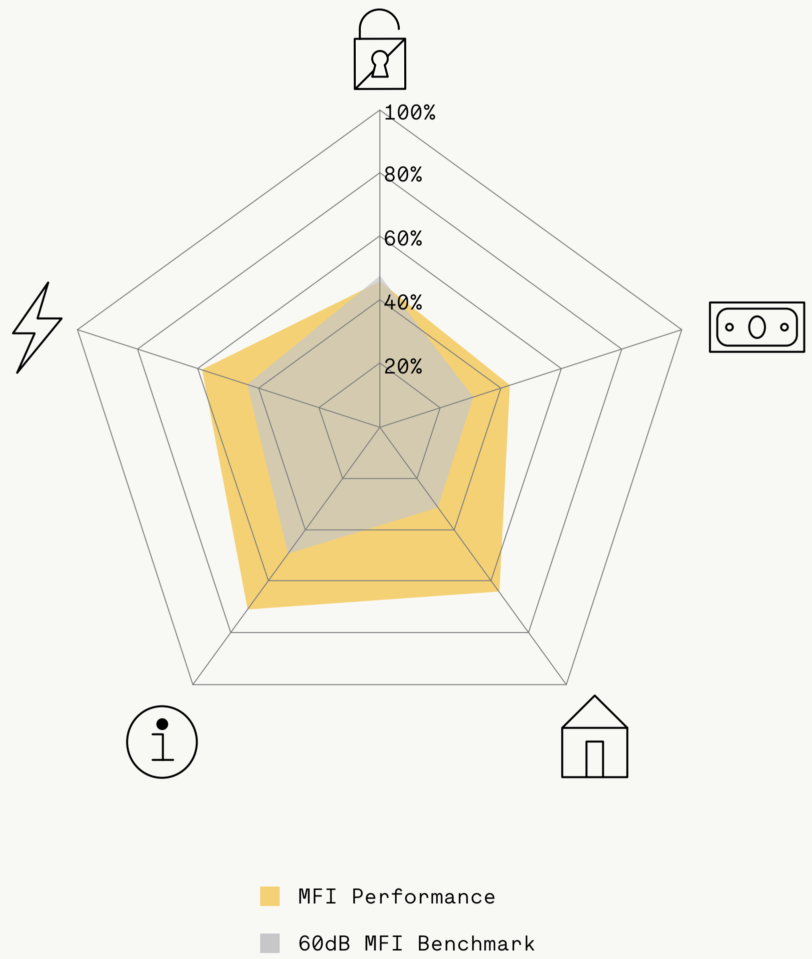
Figure 37: Goal Attainment
% of clients who are better able to achieve their financial goals because of the MFI (n = 17,018)



Pro Mujer, Nicaragua

60 Decibels Latin America & Caribbean Leader

Pro Mujer aims to empower underserved women across Latin America through microlending. In addition to financial services, they offer health and educational services to clients.



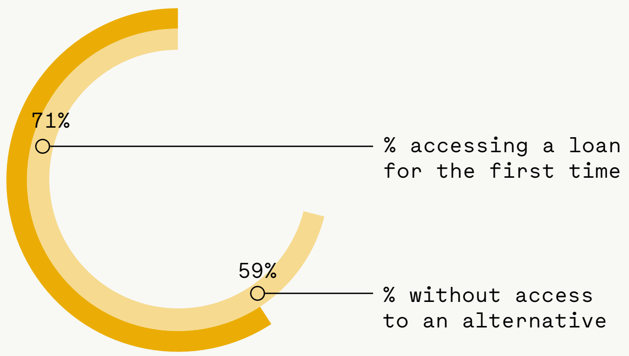
43k
Clients

$22m
Total Assets (USD)

Group
Primary Lending Methodology

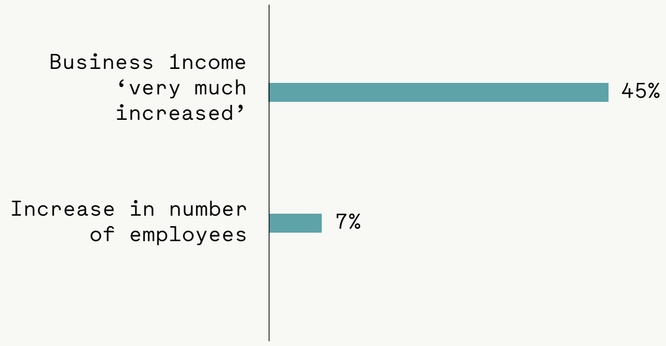
“I now have all the necessary tools for my business so that I have been able to increase my business and improve my life.

Access



0.26
Inclusivity Ratio

Business Impact

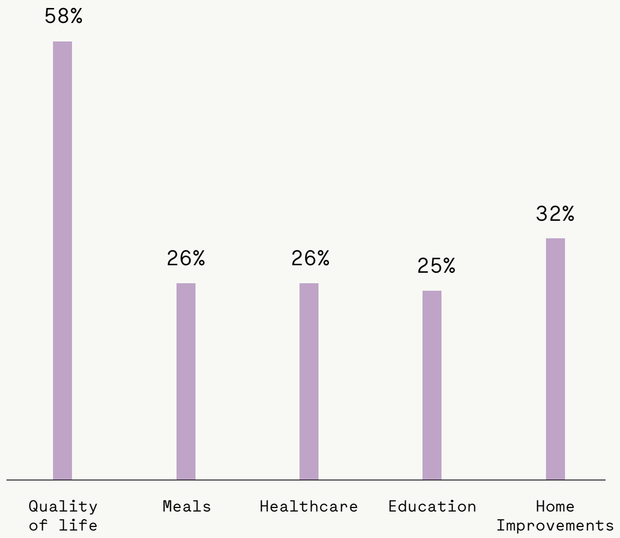


1.0
Avg. # of employees before

2.1
Avg. # of employees after

Household Impact

% 'very much increased / improved'



Financial Management

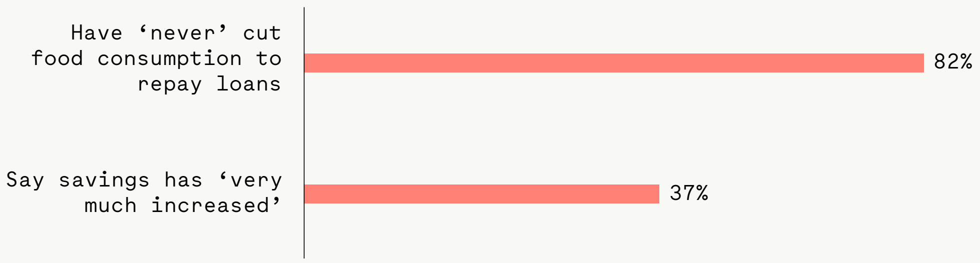
57%
'Strongly agree' they understand the terms and conditions of their loan

44%
Say their ability to manage finances has 'very much improved'

90%
Report their repayments are 'not a burden'

45%
Say their stress levels have 'very much decreased'

Resilience



18%
Resilience improved thanks to Pro Mujer

Southeast Asia

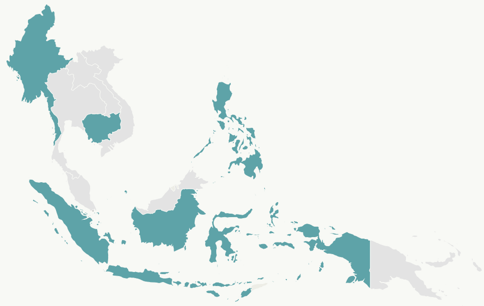
We spoke to 2,276 clients of nine MFIs in Southeast Asia (SEA). These MFIs are located in the Philippines, Indonesia, Myanmar, and Cambodia. Our in-country research assistants interviewed clients in four languages; Bahasa Indonesian, Tagalog, Myanmar/Burmese, and Khmer.

2,276 clients

4 countries

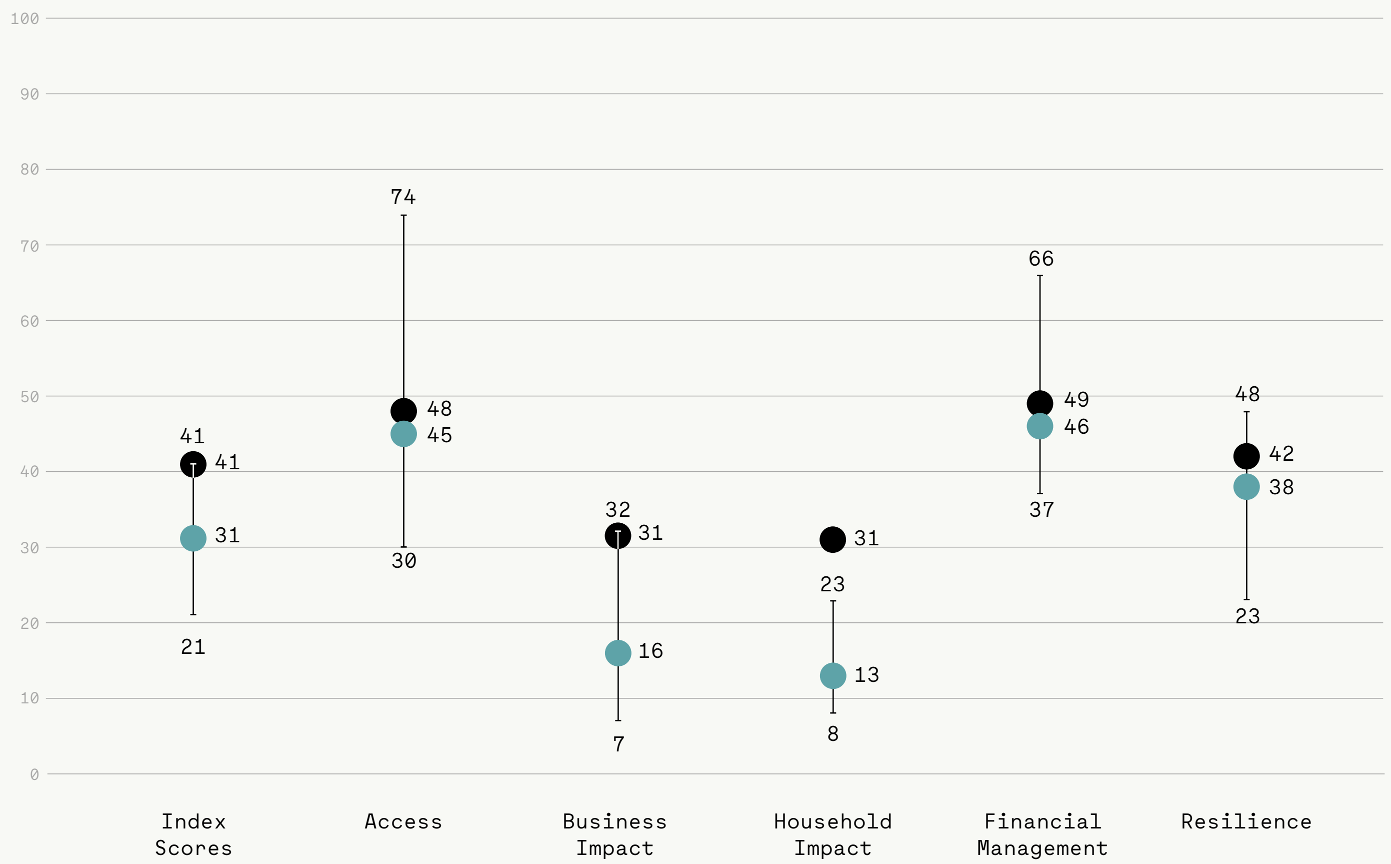
9 MFIs

4 languages



Index performance in Southeast Asia versus overall

Key: SEA Benchmark · 60dB Benchmark · Range (Minimum to Maximum)



Insights

1.

Clients in Southeast Asia were least likely to report business growth because of their MFI loan compared to respondents in other regions.

16% of respondents from other regions report that they were able to increase their number of employees in their business because of the MFI loan compared to only 3% of respondents in Southeast Asia.

Similarly, a smaller proportion of respondents, 15%, say their business income 'very much increased' compared to 25% of respondents in other regions.

The SEA business outcomes benchmark (16) is significantly lower than the overall 60dB business outcomes benchmark of 44 which is driven by lower proportions of clients in both business outcomes reporting business impact because of their MFI loan.

2.

The lower impact in business growth is mirrored by lesser improvements in Southeast Asia clients' household outcomes.

Across all household outcome indicators, clients in SEA were less likely than clients in other regions to report 'very much improved/ increased' compared to clients in all other regions, with differences of at least 7 percentage points.

While the SEA MFIs in our Index performed close to the benchmark across the other 60dB MFI Index scores, they report the lowest outcomes in Business and Household Outcomes.

Figure 38: Business Outcomes for SEA

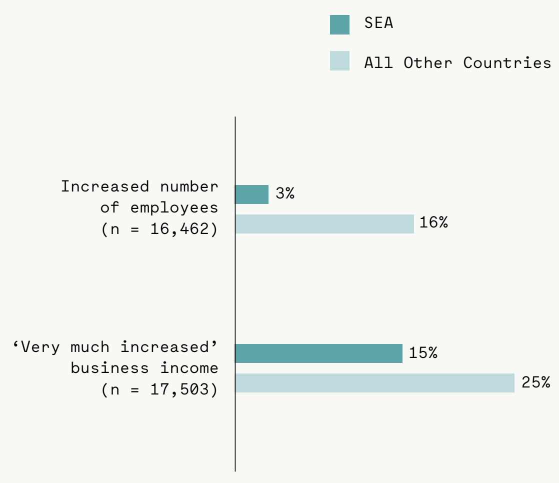
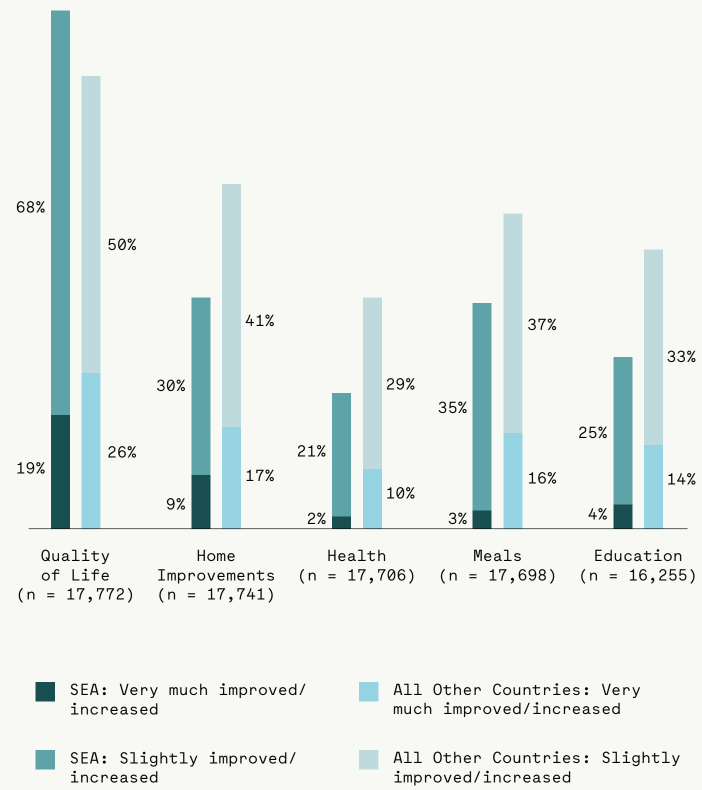


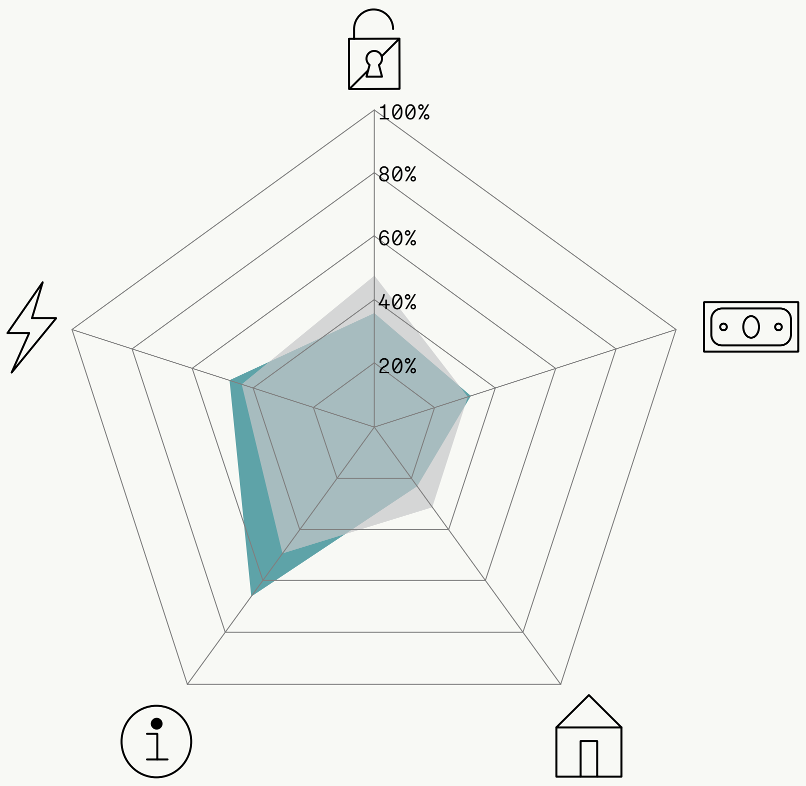
Figure 39: Household Outcomes for SEA



One Puhunan, Philippines

60 Decibels South East Asia Leader

One Puhunan provides financial services to low-income individuals and micro and small businesses which are not served by traditional banking institutions.



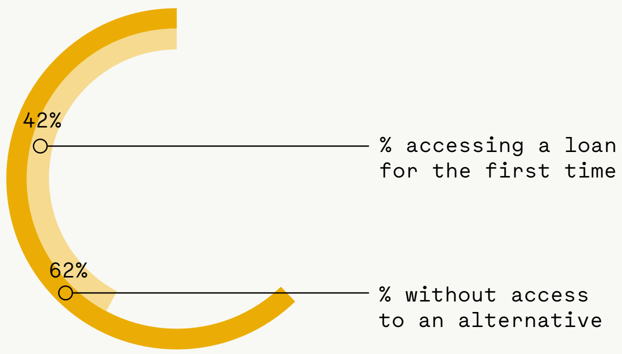
269k
Clients

$80m
Total Assets (USD)

Individual
Primary Lending Methodology

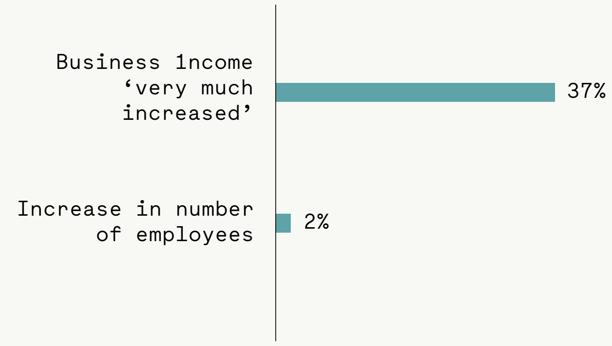
> “When my husband passed away last year, I was able to claim a total of 16,500 pesos from One Puhunan. For me, it was a big help!

Access



0.32
Inclusivity Ratio

Business Impact

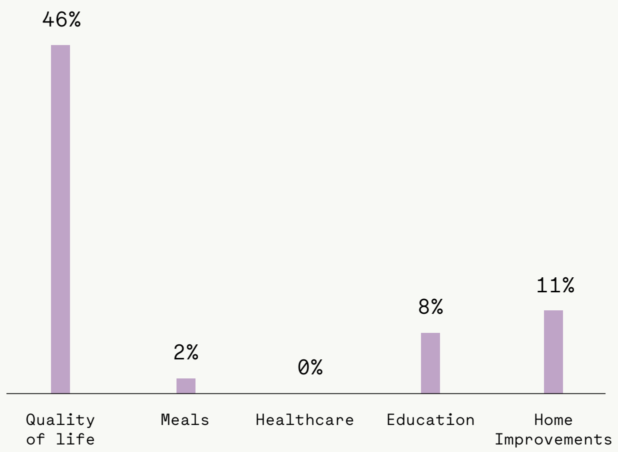


1.7
Avg. # of employees before

4.2
Avg. # of employees after

Household Impact

% ‘very much increased / improved’



Financial Management

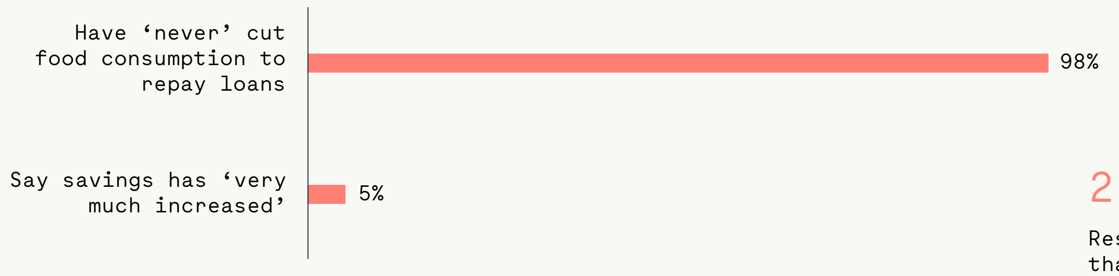
96%
‘Strongly agree’ they understand the terms and conditions of their loan

27%
Say their ability to manage finances has ‘very much improved’

94%
Report their repayments are ‘not a burden’

18%
Say their stress levels have ‘very much decreased’

Resilience



21%
Resilience improved thanks to One Puhunan

Conclusion

Thank you for taking the time to read this report! We've covered a lot of ground, and shared a ton of data. Before we let you go, we wanted to share some parting thoughts.

This is just the beginning!

We've come so far in the first year of the 60dB Microfinance Index, showing what is possible when we come together to put client voices at the heart of impact measurement. We also have bigger dreams for the future: we plan to expand this Index in 2022-23, go deeper in some geographies, and make a number of improvements that will help us answer even more interesting questions that arise from the data in this inaugural report.

Keeping client voices at the heart of impact.

Microfinance exists to serve and empower its clients, and we've seen in this report how important microfinance is to these clients By listening better—in a standardized, consistent way—we can get better data that helps us serve clients, improve products and, ultimately, improve lives. Listening to clients does not have to be hard, and we hope that it becomes integrated into the practice of all MFIs in the coming years.

We also know many MFIs, and their investors, face an alphabet soup of measurement and reporting standards. As you'll see in the Appendix of this report, we want to make it as easy as possible to take the data you get from your customers and have it seamlessly feed into social performance reporting. Better yet, we hope that this report, and the accompanying data, are a first step towards standardizing reporting on client outcomes in microfinance. Ultimately, we're all striving to enable an improved standard of living for microfinance clients. Data that tells us how we're doing on that front should be front and center in all our reporting.

It's clear that comparable social impact performance data is possible—let's make it the norm.

We hope that this report has convinced you of the value of benchmarks. Better yet, by now you may be a true believer in the value of comparative social impact performance data. With this data, we can learn from the leaders, set markers for improvement, and track our progress year to year.

Ultimately, we all must be accountable for delivering better client outcomes each and every year. Let's commit to gathering the data that allows us to do this, and to sharing this data in ways that helps us all improve.

Still hungry for more? Visit the 2021-22 Microfinance Index online dashboard

While we squeezed as much data and analysis as possible into this report, there's much more available to you! All the data in this report (plus data from a handful of additional MFIs who were late additions to the 2021-22 Index) are available on our live 60dB MFI Index dashboard. The dashboards are all dynamic and interactive, so you can dig in to your hearts' content to see more cuts of the data.

"

The loan has upgraded my lifestyle. I am a farmer and now, I own a business. This is something like dream coming into reality.

What we learned, and what's to come

As an organization committed to iteration and learning, we want to share our top reflections on what we have learned from this first year of the 60dB Microfinance Index and lay out clearly how we hope to improve in the years to come.

Without a doubt, we have done more than we thought possible in this first year: we recruited more MFIs than we'd hoped, gathered an incredible group of partners to support this work, and have shared comparable customer-level data that gives rich insight into the lived experience of tens of millions of microfinance clients.

We also have a number of specific hopes for the 2022-23 Microfinance Index, including:

Geographic distribution.

While we're thrilled at the breadth of geographies covered in this Index—41 countries—we believe the data will be even more valuable if we can get a critical mass of participating MFIs in more countries. Ugandan MFIs will care most about how they compare to other Ugandan MFIs, rather than comparison to East African or sub-Saharan African MFIs. Next year, we aim to provide MFIs with greater ability to compare to other MFIs in the same country, and to have even more critical mass at the sub-region level. The geographic snapshots were a taste of what this analysis and insight could look like. In addition, we'd like the distribution of participating MFIs to more closely match the global distribution of MFIs.

More granular client data.

In a perfect world, we would know the exact product information and additional support services provided to each of the nearly 18,000 clients we spoke to. This would have made it possible to have more granular, nuanced findings. Our hope was to have this data from each of the participating MFIs, but we did not get this data as consistently as we'd hoped. Therefore, we used data at the institutional level and assumed this institutional data applied to all clients. For non-financial services in particular, we worry that an MFI may technically offer a service but a client may not receive the service. Similarly, we would like to have had more data on client tenure or the specific loan product that the client received. In the future, we will either ensure that we can get all this client data from each participating MFI or we will include these questions as part of the client survey.

> "It has allowed me to buy livestock and thus increased my income a lot. I used to earn about one minimum wage, now I earn up to three times as much.

Survey Refinement.

This year's survey was the result of our work in financial inclusion over the last seven years plus extensive expert consultation. That said, there is always room for improvement. We expect to make minor adjustments to our survey answer options and might rephrase a few questions. We also are considering the interplay between our five dimensions—for example, financial management and resilience—and how best to categorize our questions within these dimensions. Finally, there are many questions we left out of this year's survey, including questions from our gender modules, that we know would give rich additional data. It's always a challenge to balance the efficiency and length of a survey with the depth of data we gather, and we'll continue to explore this dynamic in next year's survey.

Shared ownership by more investors and MFIs.

In addition to our goal to expand the number of MFIs participating in next year's Index, and its geographic concentration, we hope for more shared commitment to this work. In many cases, a single MFI, MFI network, or investor was responsible for the participation of a given MFI in this year's Index. However, in practice, most mid- and large-scale MFIs have multiple investors, both equity and debt, and we'd hope that these data are valuable enough to have these many investors, and the MFI itself, all support an MFIs involvement in this Index. In our first year we found it challenging to create this level of coordination, and we hope to improve upon this next year.

These are just some of our ideas, based on our own reflection and what we've heard from our partners. But this is just the beginning. If you are reading this, you have stayed with us throughout the whole report (it's okay if you skimmed) and we want to know what you think. What can we improve for next year? What did you learn? What do you want to know more about? Tell us here.

Our Final Thoughts.

Each year, this Index will serve as a public, visible barometer of the trajectory of microfinance. We have a rare opportunity to make a step-change in the quality of our impact performance data while also radically simplifying what we mean by "social performance." As we anchor our definition of social performance to client outcomes, and put their experience at the top of our measurement hierarchy, we will clarify what matters most and focus on the data that helps us see, directly, how clients are faring.

Our hope is that the coalition of partners who have come together to make this work possible continues to grow. Together, we represent a powerful network of people and institutions committed to the tens of millions of clients served by MFIs. Let us always remember that these clients are the ultimate source of truth about the success of microfinance around the world. Let us always remember to listen to them.

Acknowledgements

To the 60 Decibels Team:

A special thank you to Matt Lewis for the vision and groundwork of an MFI Index at 60 Decibels. To Kasia Stochinol, Rebecca Schick, Katie Reberg, Ramiro Rejas Carrera, Lindsay Smalling, and Gabi Barbosa for their consistent support throughout this work. And to all the other 60dB team members who led a part of this Index project, big or small, we could not have done it without you.

To the MFIs who participated in this Index:

Thank you for placing your trust in the 60dB team to contact your clients and listen to them on your behalf. Every day we are humbled by the work you do and the commitment you show to broadening financial access to improve people's lives. The list of MFIs included in this Index can be can be found here.

To the Founding Partners:

Sponsors: Tipping Point Fund on Impact Investing, ceniarth

Gold Founding Partners: brac, Global Partnerships, Opportunity International, responsAbility

Silver Founding Partners: symbiotics, mce Social Capital, Advans, Accion

Bronze Founding Partners: ECLOF International, FMO, Foundation Netri, Fondation Grameen Crédit Agricole, LeapFrog Investments, nmi Nordic Microfinance Initiative, pro mujer, kiva, SPTF, WaterEquity, Women's World Banking

> Yes, apart from my business of selling fruits, I am a driver and thanks to the loan I took I was able to supply my business and generate more income.

Appendix

A. Detailed Methodology

We asked all participating MFIs to share a client list, with phone numbers, of a minimum of 2,000 randomly-selected clients with loan products of the MFI' s choosing. The only stipulations were that the clients should have had at least one full loan cycle (from disbursement to full repayment) with the MFI and should have an active loan or about to renew. This ensured that clients would have enough time with the MFI to experience some impact of the loan. It also reduced the possibility of speaking to clients who were no longer engaged with the MFI. We recommended that MFIs share pertinent details about the clients including demographics, loan type, and gender to allow us to capture a representative sample.

	Overall	Sub-Saharan Africa	Asia	Latin America & the Caribbean	MENA
Total Number of Clients Surveyed	17,956	8,374	6,246	2,960	376
Poverty Breakdown					
(% likely living in poverty)	30%	38%	25%	12%	No data
(% unlikely living in poverty)	69%	59%	75%	87%	No data
No Data	1%	3%	–	1%	No data
Gender Breakdown					
(% female)	67%	63%	74%	66%	42%
(% male)	33%	37%	26%	34%	58%
Location Breakdown					
(% in urban)	34%	38%	21%	47%	51%
(% in non-urban)	66%	62%	79%	53%	49%
MFI Primary Lending Methodology					
(% group)	51%	63%	37%	53%	0%
(% individual)	38%	37%	28%	37%	67%
(% mixed)	11%	0%	22%	10%	22%
Financial services and Non-Financial Services					
(% financial services)	44%	58%	46%	19%	0%
(% financial services & non-financial services)	56%	42%	54%	81%	100%
Average Response Rate	62%	69%	64%	38%	75%

B. Survey Questions by Dimensions[13]

Dimension	Question text	Answer options
Access	Before [Company], did you have access to a [product / service] like [Company] provides?	Yes / no
	Could you easily find a good alternative to [Company]?	Yes / maybe / no
	5 - 15 country-specific questions to measure poverty likelihood: Poverty Probability Index, the Equity Tool, or Wealth Quintiles (India)	–
Business Impact	Has the money you earn from your business changed because of [Company] [product / service]? Has it:	Very much increased / slightly increased / no change /slightly decreased / very much decreased / N/A I don't have a business
	Has your number of paid employees working for your business changed because of [Company] [product / service]?	Paid employees have increased / paid employees have decreased / no change to number of paid employees / my business does not have paid employees
	Could you please tell me how many paid employees you had before working with [Company] and now?	Before Loan: # After Loan: #
Household Impact	Has your quality of life changed because of [Company] [product / service]? Has it:	Very much improved / slightly improved / no change / got slightly worse / got much worse
	If improved] How has it improved? [If no change] Why has it not changed? [If got worse] How has it become worse?	Open-ended
	Because of [Company], has the amount you spend on home improvements changed?	Very much increased / slightly increased / no change /slightly decreased / very much decreased
	Because of [Company], has how often you are able to go to a healthcare provider for check-ups and if you fall ill changed?	Very much increased / slightly increased / no change /slightly decreased / very much decreased
	Because of [Company] have the number and quality of meals your family eats changed?	Very much increased / slightly increased / no change /slightly decreased / very much decreased
	Because of [Company] has the amount you spend on your children to go to school changed?	Very much increased / slightly increased / no change /slightly decreased / very much decreased / NA no school-aged children
	What is the most important financial goal you're trying to achieve right now?	Buy asset (personal or business) / afford education / afford household expenses / afford house or property / need savings / invest in business / start a new business / increase income / other / no goal
	Has your ability to achieve this goal changed because of [Company]?	Very much improved / slightly improved / no change / got slightly worse / got much worse
Financial management	Because of [Company], have your stress levels relating to your finances changed?	Very much improved / slightly improved / no change / got slightly worse / got much worse
	Terms & conditions	–
	Because of [Company], has your ability to manage your finances changed?	Very much increased / slightly increased / no change /slightly decreased / very much decreased
	Thinking about this [product / service] borrowing repayment, are they a heavy burden, somewhat of a burden, or not a problem?	A heavy burden / somewhat of a burden / not a problem
Resilience	Because of [Company], has your savings balance changed?	Very much increased / slightly increased / no change /slightly decreased / very much decreased
	Do you have to reduce your household's consumption of food to make repayments where you didn't have to before?	Regularly / sometimes / rarely / never
	Imagine that tomorrow you have an unexpected emergency and need to come up with [1/20 gross national income per capita in local currency] within the next month. How easy or difficult would it be to come up with this money?	Very difficult / slightly difficult / neither difficult nor easy / slightly easy / very easy
	Has your ability to face this major expense changed because of [Company]?	Very much improved / slightly improved / no change / got slightly worse / got much worse

13. For the first few MFIs that participated in the Index, there were small differences in the questions and/or that were asked and have since been adjusted. For example; with the question 'Because of [Company], have your stress levels relating to your finances changed?' The answer options were previously 'increased' to 'decreased' and have been changed to 'improved' to 'got worse.'

C. Detailed 60dB MFI Index Benchmarks and Quintiles

Alongside the benchmarks, this table indicates the quintile performance thresholds for the: bottom 20%, bottom 40%, middle, top 40%, and top 20% of performance.*

Indicator	Description	Benchmark	Top 20%	Top 40%	Middle	Bottom 40%	Bottom 20%
Access		**48**	**63**	**49**	**47**	**43**	**35**
First Access	% accessing for the first time	58	71	60	58	54	42
Alternatives	% without access to good alternative	58	74	60	58	55	41
Equitable Access	inclusivity ratio	0.68	.92	.71	.62	.55	.44
Business Impact		**31**	**47**	**32**	**26**	**23**	**16**
Income	% seeing 'very much increased' improvement in income	24	41	25	22	18	9
Employment	% increasing no. of paid employees	13	20	13	8	7	4
Household Impact		**31**	**44**	**35**	**27**	**20**	**11**
Quality of Life	% 'very much improved' quality of life	35	55	38	32	29	19
Home Improvement	% 'very much increased' household spending on home improvement	16	26	18	13	11	5
Education	% 'very much increased' household spending on education	13	23	12	8	6	3
Healthcare	% 'very much increased' household spending on healthcare	9	15	7	6	4	1
Quality Meals	% 'very much increased' number of quality meals	14	22	15	12	8	3
Financial Goals	% 'very much improved' ability to achieve financial goal	27	40	30	25	21	13
Financial Management		**49**	**63**	**51**	**46**	**43**	**37**
Loan Understanding	% 'strongly agree' to understanding terms	66	82	74	68	63	54
Financial Management	% 'very much improved' ability to manage finances	22	37	22	18	15	9
Financial Stress	% 'very much improved / decreased' financial stress	18	30	20	16	10	7
Repayment Burden	% saying payments 'not a problem' (if offering financing)	70	86	76	74	68	55
Resilience		**42**	**57**	**44**	**37**	**35**	**29**
Savings	% 'very much increased' savings balance	18	29	16	12	9	5
Company Role	% 'very much improved' resilience thanks to company	20	32	21	16	13	8
Consumption Sacrifice	% who 'never' cut food consumption to make payments	72	85	78	73	70	61

*Reminder: Benchmarks are the average, the 'middle' quintile number is the median

D. Index Calculations

A worked example of the impact performance.

Imagine a MFI with the following impact performance compared to the minimum and maximum performance in our Index.

	MFI X	Minimum	Maximum
Access			
First Access	58	17	96
No access to Alternatives	74	7	100
Equitable Access	.61	.08	1.70
Business Impact			
Income Change	16	0	61
Employees Increased	8	0	59
Household Impact			
Quality of Life	23	5	72
Home improvements	4	0	53
Medical Visits	0	0	40
Meals	6	0	51
Education	3	0	50
Financial Goal attribution	30	3	69
Financial Management			
Loan Understanding	60	9	97
Financial Stress	14	0	56
Ability to manage finances	18	1	73
Repayment burden	98	12	98
Resilience			
Savings Balance	9	0	57
Consumption Reduced	95	27	98
Ability to face emergency expense	11	0	62

D. Index Calculations (Continued)

1. Indicator Scores

$$\text{Indicator scores} = \frac{(\text{company value} - \text{minimum value})}{(\text{maximum value} - \text{minimum value})}$$

$$\text{First Access Score of Company X (53)} = \frac{(58 - 17)}{(96 - 17)}$$

$$\text{Alternatives Score of Company X (72)} = \frac{(74 - 7)}{(100 - 7)}$$

$$\text{Equitable Access Score of Company X (.33)} = \frac{(.61 - .08)}{(1.70 - .08)}$$

2. Dimension Score

Average of all the indicator scores included in that dimension.

Access Dimension Score (53) = Average of 53 and 72 and 33.

3. 60dB MFI Index Score

Average of all five dimension scores.

60dB Index Score (37) = Average of 53 and 20 and 16 and 52 and 43.

Inclusivity Ratio Calculations

Part of our 60dB MFI Index is an indicator on Equitable Access or an Inclusivity Ratio. The Inclusivity Ratio is a metric developed by 60 Decibels to estimate the degree to which an enterprise is reaching less well-off customers. It is calculated by taking the average of Company % / National %, at the \$1.90, \$3.20 & \$5.50 lines for low-middle income countries, or at the \$3.20, \$5.50 and \$8.00 lines for middle income countries for countries in our sample where a Poverty Probability Index Calculation was used. Or using the 40th, 60th and 80th wealth quintiles for countries where an equity tool[14] or wealth quintile measure developed by Innovations for Poverty Action (IPA) was used.[15]

The inclusivity ratio formula is:

$$\sum_{x=1}^{3} \frac{\text{([Company] Poverty Line \$x)}}{\text{([Country] Poverty Line \$x)}} \; / \; 3$$

We multiply the Equitable Access Score by 100 to make it on the same scale as all other indicators

14. The Equity Tool, developed by Metrics 4 Management, measures relative wealth of respondents compared to the national population.

E. Industry Alignment

The 60dB Microfinance Index survey questions build on not only our body of work within 60 Decibels but also from the financial inclusion and social impact spaces more broadly. In particular we'd like to thank the teams at the Social Performance Task Force (SPTF) and CERISE, who have given extensive input on the content of our survey and worked with us tirelessly to define the alignment between our and their tools.

We encourage all users of the 60dB Microfinance Index to:

1. Commit to continuing to solicit client feedback
2. Use your results to get a better understanding of who your clients are and whether you are serving vulnerable populations
3. Use your results to measure and track how you are doing against your goals, which may align to other frameworks

Universal Standards

Dimension 1 of SPTF's Universal Standards for Social and Environmental Performance Management includes a commitment to collecting, analyzing, and reporting on client outcomes data.[16] Participants in the 60dB Microfinance Index demonstrate just such a commitment.

In addition, Dimension 4 of the Universal Standards, which is reflected in the Client Protection Pathway, adapted from the principles of the SMART Campaign, is focused on client protection. As part of MFIs' internal ongoing efforts to ensure client protection and especially to prevent overindebtedness, we recommend specifically reviewing the following metrics:

- % of clients reporting agreeing/disagreeing that they understand all the terms and conditions of their loans
- % of clients reporting change in the stress levels related to their finances because of the MFI
- % of clients reporting their loan repayments to be a burden vs. not a burden
- % of clients reporting reducing their food consumption to make repayments (and with what frequency)
- % of clients reporting difficulty/ease in financing an emergency expense
- % of clients reporting a challenge with the MFI (and the top challenges reported)

We will be publishing separately detailed guidance for MFIs on how to use the results for reporting requirements and how to incorporate them into your day-to-day management and strategy.

Impact Management Project

We're big fans of the Impact Management Project! The IMP introduces five dimensions of impact: Who, What, How Much, Contribution, and Risk.

These dimensions help measure the positive and negative changes that are occurring as a result of an intervention. We've mapped here how the key survey metrics align to the IMP dimensions.

15. 60 Decibels uses different measures to gauge both poverty and/or wealth of a respondent group. We recognize these are not like comparisons; however, provide a gauge of the overall financial well-being of the clients an MFI is reaching.

16. Standard 1B:"The Provider Collects, Analyzes, and Reports Data that are Specific to its Social Goals."

Detailed Metrics

Dimension	Question text	Impact Management Project	Universal Standards	Sustainable Development Goals
Access	Before [Company], did you have access to a [product / service] like [Company] provides?*	Contribution	Dimension 3: Client-centered Products and Services	Goal 8: Promote economic growth
	Could you easily find a good alternative to [Company]?	Contribution	Dimension 3: Client-centered Products and Services	Goal 8: Promote economic growth
	5 - 15 country-specific questions to measure poverty likelihood: Poverty Probability Index, the Equity Tool, or Wealth Quintiles (India)*	Who	Dimension 1: Social Strategy Dimension 3: Client-centered Products and Services	Goal 1: End poverty
	Gender*	Who	Dimension 1: Social Strategy Dimension 3: Client-centered Products and Services	Goal 1: End poverty
	Household size*	Who	Dimension 1: Social Strategy Dimension 3: Client-centered Products and Services	Goal 1: End poverty
	Location (urban vs. rural)*	Who	Dimension 1: Social Strategy Dimension 3: Client-centered Products and Services	Goal 1: End poverty
	Age	Who	Dimension 1: Social Strategy Dimension 3: Client-centered Products and Services	...
Business Impact	Has the money you earn from your business changed because of [Company]?	How Much	Dimension 1: Social Strategy Dimension 2: Committed Leadership Dimension 3: Client-centered Products and Services	Goal 8: Promote economic growth
	Has your number of paid employees working for your business changed because of [Company]?	How Much	Dimension 1: Social Strategy Dimension 2: Committed Leadership	Goal 8: Promote economic growth
	Could you please tell me how many paid employees you had before working with [Company] and now?	...	Dimension 1: Social Strategy Dimension 2: Committed Leadership	Goal 8: Promote economic growth
Household Impact	Has your quality of life changed because of [Company]?	How Much	Dimension 1: Social Strategy Dimension 2: Committed Leadership Dimension 3: Client-centered Products and Services	...
	[If improved] How has it improved? [If no change] Why has it not changed? [If got worse] How has it become worse?	What	Dimension 1: Social Strategy Dimension 2: Committed Leadership Dimension 3: Client-centered Products and Services	...
	Because of [Company], has the amount you spend on home improvements changed?	How Much	Dimension 1: Social Strategy Dimension 2: Committed Leadership Dimension 3: Client-centered Products and Services	...
	Because of [Company], has how often you are able to go to a healthcare provider for check-ups and if you fall ill changed?	How Much	Dimension 1: Social Strategy Dimension 2: Committed Leadership Dimension 3: Client-centered Products and Services	Goal 3: Ensure healthy lives
	Because of [Company] have the number and quality of meals your family eats changed?	How Much	Dimension 1: Social Strategy Dimension 2: Committed Leadership Dimension 3: Client-centered Products and Services	Goal 2: End hunger
	Because of [Company] has the amount you spend on your children to go to school changed?	How Much	Dimension 1: Social Strategy Dimension 2: Committed Leadership Dimension 3: Client-centered Products and Services	Goal 4: Ensure education

*GIIN / IRIS+ Indicators: The 60dB MFI Index aligns with only a few IRIS+ reporting metrics. The IRIS+ indicators are primarily output indicators, whereas the 60dB MFI Index are primarily outcome indicators. The metrics with overlap are: Client Individuals: Low Income, Poor, Very Poor, Provided New Access, Rural, Urban and Female.

Detailed Metrics (continued)

Dimension	Question text	Impact Management Project	Universal Standards	Sustainable Development Goals
	What is the most important financial goal you're trying to achieve right now?	...	Dimension 1: Social Strategy	Goal 8: Promote economic growth
	Has your ability to achieve this goal changed because of [Company]?	How Much	Dimension 1: Social Strategy	Goal 8: Promote economic growth
Financial Management	Because of [Company], have your stress levels relating to your finances changed?	How Much	Dimension 2: Committed Leadership Dimension 3: Client-centered Products and Services	Goal 3: Ensure healthy lives
	To what extent do you agree with the following statement: "I understand all of the terms and conditions of the [Company] loans, including payments and penalties".	Risk	Dimension 2: Committed Leadership Dimension 4: Client Protection	...
	Because of [Company], has your ability to manage your finances changed?	How Much	Dimension 1: Social Strategy Dimension 2: Committed Leadership Dimension 3: Client-centered Products and Services	Goal 8: Promote economic growth
	Thinking about this [product / service] borrowing repayment, are they a heavy burden, somewhat of a burden, or not a problem?	Risk	Dimension 2: Committed Leadership Dimension 3: Client-centered Products and Services. Dimension 4: Client Protection	...
Resilience	Because of [Company], has your savings balance changed?	How Much	Dimension 1: Social Strategy Dimension 2: Committed Leadership Dimension 3: Client-centered Products and Services	Goal 1: End poverty & Goal 8: Promote economic growth
	Do you have to reduce your household's consumption of food to make repayments where you didn't have to before?	Risk	Dimension 2: Committed Leadership Dimension 3: Client-centered Products and Services Dimension 4: Client Protection	Goal 2: End hunger
	Imagine that tomorrow you have an unexpected emergency and need to come up with [1/20 gross national income per capita in local currency] within the next month. How easy or difficult would it be to come up with this money?	Risk	...	Goal 1: End poverty
	Has your ability to face this major expense changed because of [Company]?	How Much	...	Goal 1: End poverty
Additional	What did you use your loan(s) for?	...	Dimension 3: Client-centered Products and Services	Goal 8: Promote economic growth
	On a scale of 0-10, how likely are you to recommend [Company] to a friend or family member, where 0 is not at all likely and 10 is extremely likely?	...	Dimension 2: Committed Leadership Dimension 3: Client-centered Products and Services	...
	[0-6]: What actions could [Company] take to make you more likely to recommend it to a friend or family member? [7-8]: What specifically about [Company] caused you to give it the score that you did? [9-10]: What specifically about [Company] would cause you to recommend it to a friend or family member?	...	Dimension 2: Committed Leadership Dimension 3: Client-centered Products and Services	...
	Have you experienced any challenges with [Company]?	...	Dimension 1: Social Strategy	...
	Please explain the challenge(s) you have experienced.	...	Dimension 1: Social Strategy	...

F. 2021-22 60dB Microfinance Index Participating MFIs

Accion Microfinance Bank
ACEP Burkina Faso
ACFIME
Advans Cameroon
Advans Côte d'Ivoire
Advans Ghana
Advans Group
Advans Nigeria
Advans Tunisia
Alidé
AMK Cambodia
Amret
Annapurna
Arvand
ASA International India
ASA Microfinance Tanzania Limited
Aspire
Avanza Sólido
Banco Popular
BRAC Liberia Microfinance Company Limited
BRAC Microfinance Bangladesh
BRAC Microfinance Sierra Leone (SL) Limited
BRAC Myanmar Microfinance Company Limited
BRAC Rwanda Microfinance Company PLC
BRAC Tanzania Finance Limited
BRAC Uganda Bank Limited
CACPECO
Cashpor
Chamroeun
Contactar
CreditAccess
Dvara KGFS
ECLOF Dominican Republic
ECLOF Kenya
ECLOF Sri Lanka
Elet Capital
Financiera Fama
FINCA Malawi
Fincare
Fonkoze
Friendship Bridge
Grooming People for Better Livelihood Centre
IDH Microfinanciera
Juhudi Kilimo
Kashf Foundation
KOMIDA
LAPO Sierra Leone
Letshego Botswana
Letshego Eswatini
Letshego Ghana
Letshego Kenya
Letshego Lesotho
Letshego Mozambique
Letshego Namibia
Letshego Nigeria
Letshego Rwanda
Letshego Tanzania
Letshego Uganda
MicroFund For Women
Nyèsigiso
Pahal
Prasac
Pro Mujer Bolivia
Pro Mujer Mexico
Pro Mujer Nicaragua
Satya
Sinapi Aba Trust (SAT)
Sindhuja Microcredit
TLM Foundation
UGAFODE
Vision Fund DRC
Yayasan Cinta Anak Bangsa Foundation

"We have invested the loan in our shop. Its income helps us cover all the household expenses. Our children are eating properly.

"I got loan to buy inventory to sell in my shop, but my daughter got admitted to the hospital. I could pay for her treatment because of loan. I also put some money in the farming.

"Well, yes, the money actually had another destination, I was thinking of investing it but the pandemic just arrived and there because thanks to the money I was able to support my family.

"I have constructed a livestock shelter and have increased some goats and cows. I have also been able to pay all bills and schools.

"I invested this loan into my curtain business. I stitch curtains at home and supply to vendors for sale. I got new machinery and invested to get some raw materials to stitch curtains which gave me more sales and better income as well."

"I rent out rooms… so I used the loan to buy furniture for those rooms. This helped me change the look of my rented rooms and attracted more potential customers, so I had a very good income on this from outsiders/tourists and I was able to increase my monthly income and my quality of life with this."

Let us know what you think about the MFI Index - we want to hear from you!

Interested in participating in the 2022-23 MFI Index? Let us know!

Sign up for The Volume, our monthly collection of things worth reading.

Check out our MFI Index live dashboard to dig into the data more.