

Microcredit Program: Community Survey Results

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Introduction

- **Define Micro – Credit**
 - A financial service offering small loans to people who have difficulty accessing credit through the traditional means
- **Objectives of Micro – Credit**
 - To promote employment in the area for the benefit of the community
 - To promote local economic development by promoting trade and industry in the area for the benefit of the community

Key Considerations

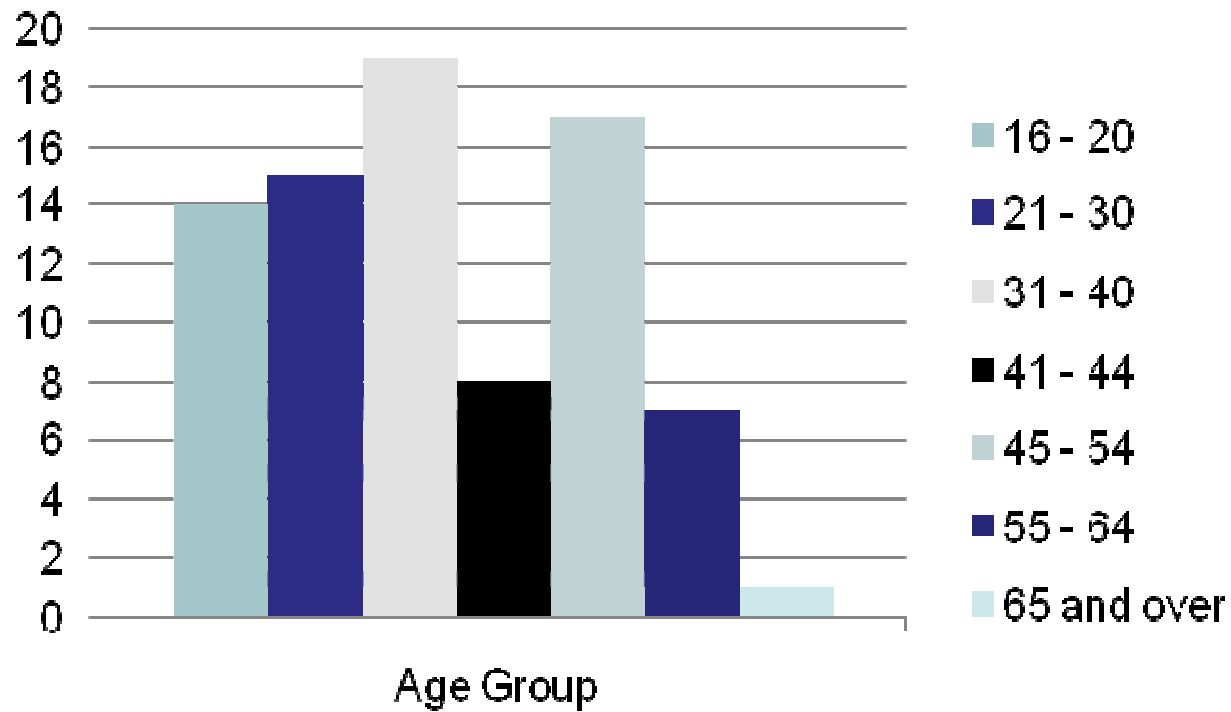
1. Borrower Characteristics
2. Sources of Funds
3. Relationship between the borrower and the micro credit loan program
4. Nature of the loan agreement
5. Types of funded programs

General Questions / Demographics

- Gender
 - 78.4% Females, 21.6% Males
- Education
 - About 36% being surveyed have had at least high school as their highest level of education and 32.5% have had college as their highest level of education.

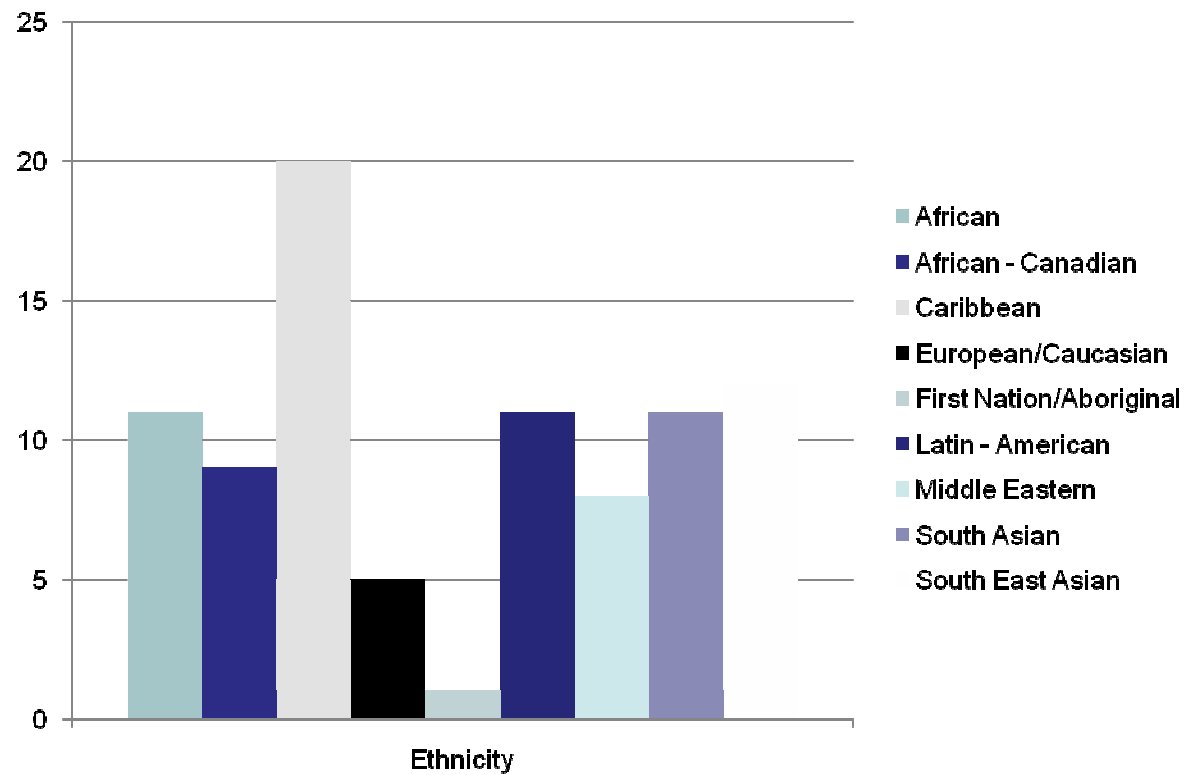
General Questions / Demographics

Age



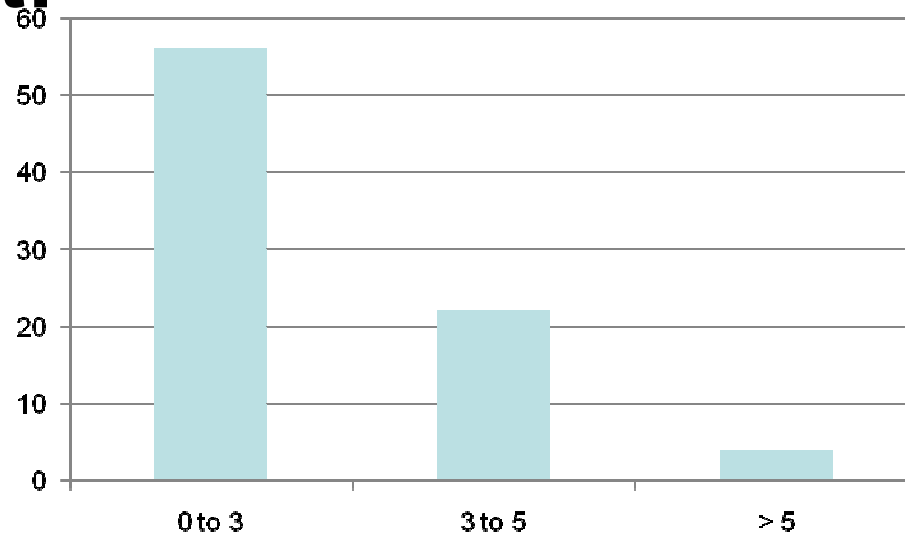
General Questions/Demographics

Cultural/Ethnic Reference



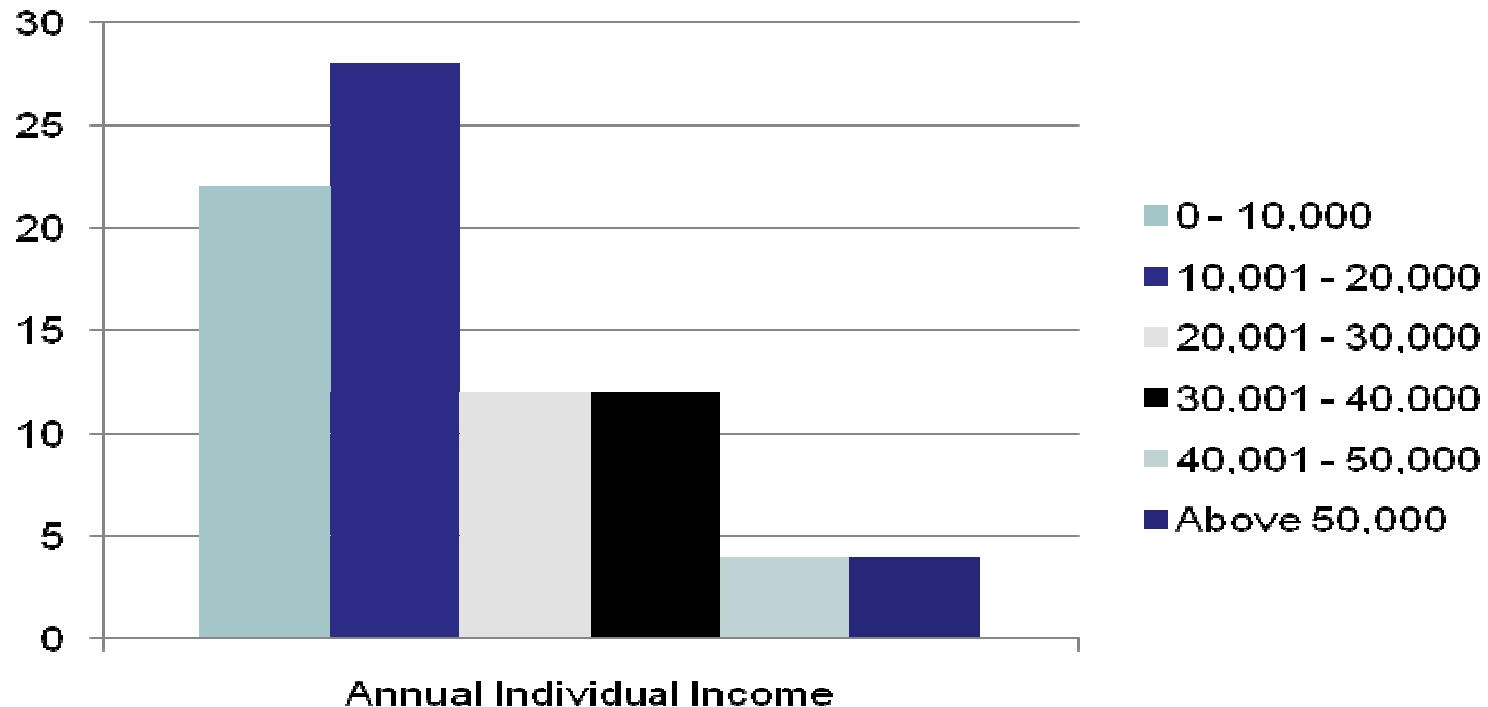
General Questions / Demographics

- **Number of people in a household depend on respondents income for support:**



General Questions / Demographics

- Annual Individual Income



Low Income Cut Off 2005

Family Size	500,000 +	100,000-499,999	30,000-99,999	Less than 30,000*	Rural
1	\$20,778	\$17,895	\$17,784	\$16,273	\$14,303
2	\$25,867	\$22,276	\$22,139	\$20,257	\$17,807
3	\$31,801	\$27,386	\$27,217	\$24,904	\$21,891
4	\$38,610	\$33,251	\$33,046	\$30,238	\$26,579
5	\$43,791	\$37,711	\$37,480	\$34,295	\$30,145
6	\$49,389	\$42,533	\$42,271	\$38,679	\$33,999
7 +	\$54,987	\$47,354	\$47,063	\$43,063	\$37,853

Canadian Council on Social Development
http://www.ccsd.ca/factsheets/fs_lico05_bt.htm

Self Employment Opportunities

- **How did you obtain the money to start your business?**
 - 34.1% - Personal Savings, 22% - Family Member, and 17% - Loan from Bank or Credit Union
- **What kind of business skills do you use to run your business? (Top 5 Skills in Ascending Order)**
 1. People Skills
 2. Communication
 3. Organizational Skills
 4. Advertising, Planning and Management Skills
 5. Marketing

Self Employment Opportunities

- **Have you ever considered self-employment?**
 - 64.5% Interested in self – employment
- **What kind of business would you be interested in doing?**
(Top 5)
 1. Hairdressing
 2. Catering
 3. Baby Sitting / Child Care Provider
 4. Manicurist
 5. Computing, Sewing, and Accounting/Taxes

Self Employment Opportunities

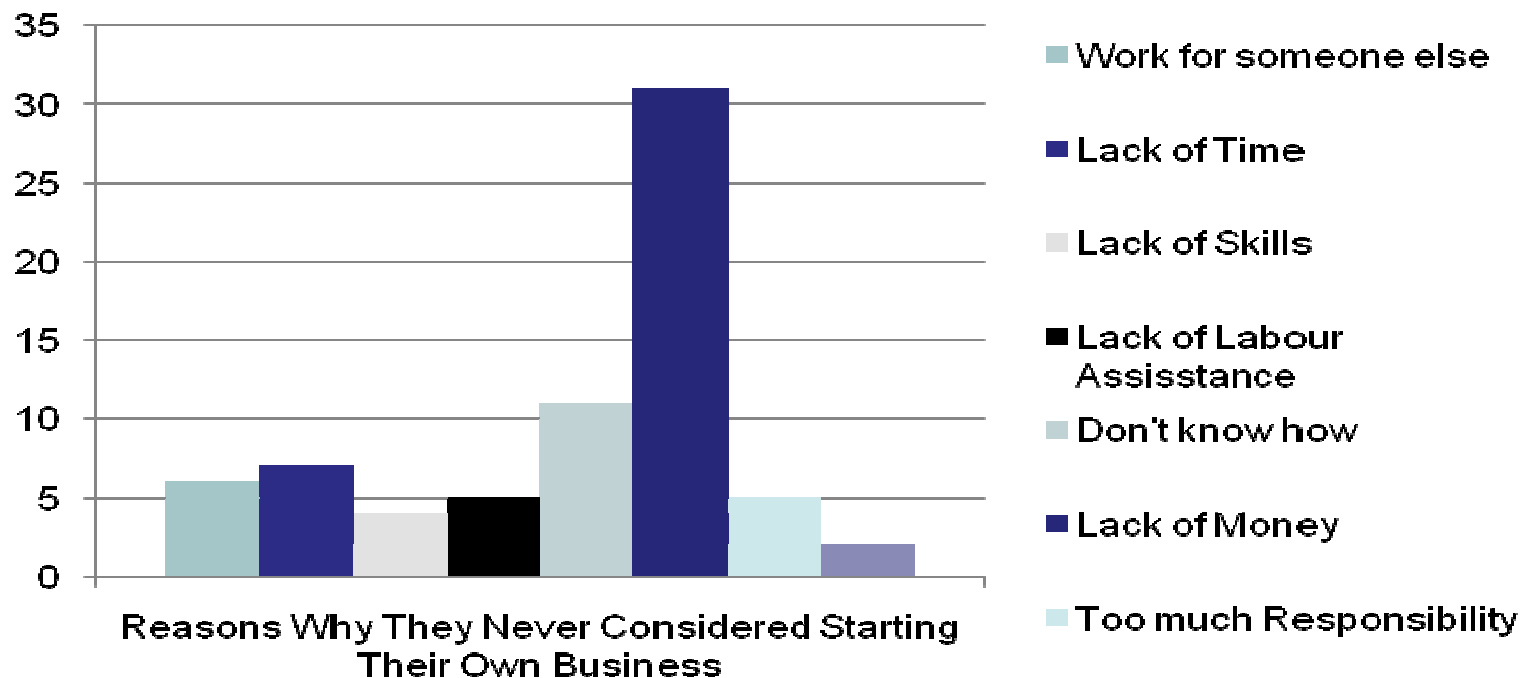
- **What types of training do you currently have?**
 - Child Care Provider (17)
 - House Keeper (11)
 - Cook / Caterer (11)
 - Hairdresser (10)
 - Health Care Professional (7)
 - Baker (6)
 - Seamstress Tailor (6)
 - Accountant / Finance (5)
 - Computer Analyst / Programmer (5)
 - Artisan / Craftsperson (5)

Self Employment Skills and Resources

- **I have the following skills/resources to help me start and run my own business:**
 - **Interacting with others**
 - **Self – Discipline**
 - **Communication**
 - **Time Management**
 - **Organizing**

Self Employment Opportunities

- If you have never considered starting your own business, why not?



Attitudes Towards Borrowing

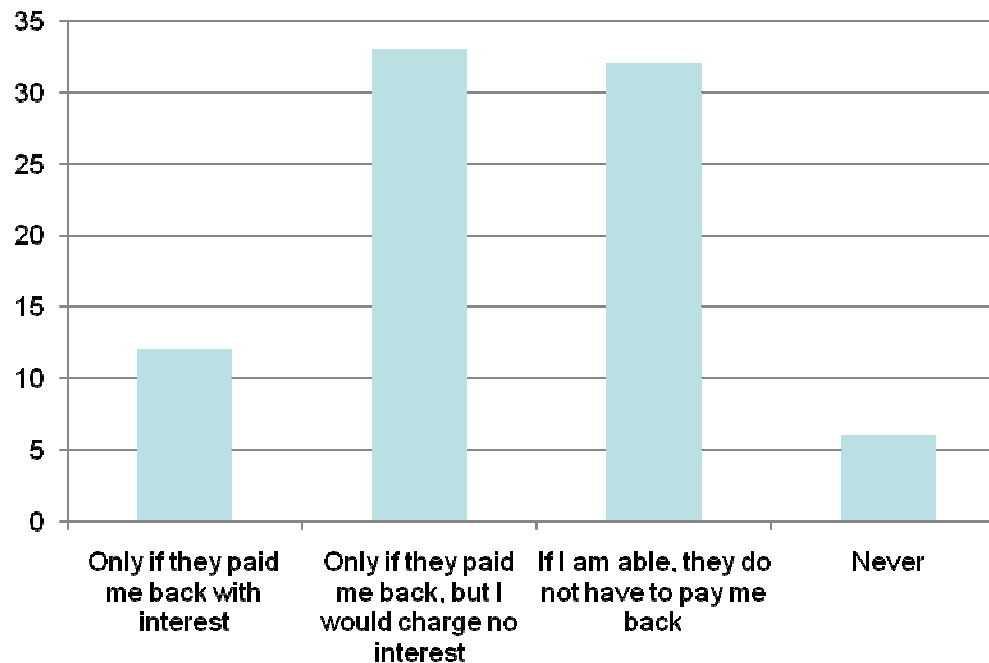
- I would pay \$100 in interest to have \$1000 this year to start/expand my own business.
 - Yes No Maybe Do not know
 - 43.2% 25.7% 18.9% 12.2%
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- I would borrow money from a bank to open/expand my own business
 - Yes No Maybe Do not know
 - 49.3% 12.3% 30.1% 8.2%
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- I would borrow money from a friend to start/expand my business.
 - Yes No Maybe Do not know
 - 26.5% 51.5% 14.7% 7.3%

Attitudes Towards Borrowing

- I would borrow from a family member to start/expand my business.
 - Yes No Maybe Do not know
 - 43.7% 29.6% 21.1% 5.6%
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- I would borrow money from a community based fund to start/expand my own business?
 - Yes No Maybe Do not know
 - 57.3% 14.7% 22.1% 5.9%

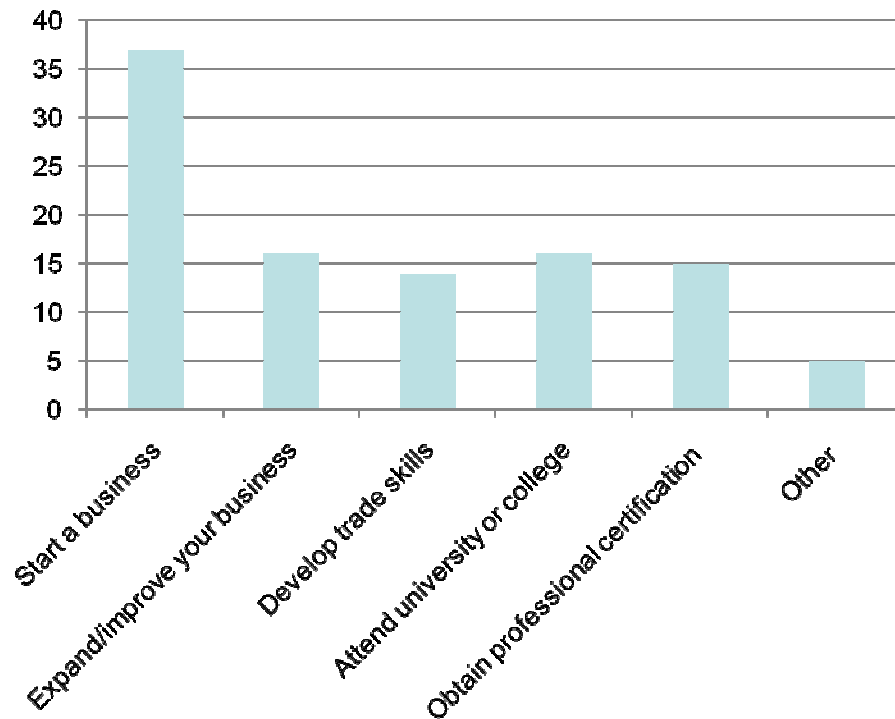
Attitudes Towards Borrowing

- I would lend money to my family



Attitudes Towards Borrowing

- If you were given \$5000, what would you do with it?



Tentative Answers

1. **What should be the goal of the program?**

- Provide support to local individuals that need to start a business to provide income in whole or supplement their current income.

2. **What is the purpose/philosophy?**

- Contributing to the community through 'Helping others succeed' – Mentorship and Community Support

Tentative Answers

3. What is the preferred organizational status?

- Not-For-Profit

4. What role will Microfinance play?

- Bank Guarantor. Community funds are used to guarantee loans with bank partner.

5. What are the sources of funds?

- External. Sources of funds generated from donors and other funding sources not from within participants in the program.

Tentative Answers

6. What types of projects will the program support?

(not enough data collected)

7. Who are the borrowers?

- The borrowers would be individuals who are interested in self-employment.

8. What will be size or denomination of the loan?

- The size or the denomination of the loan will depend on how much the bank or credit union is willing to give.

Tentative Answers

9. What are the lending/borrowing criteria, or how can become eligible to receive these loans?

- Submission of a complete business plan
- Provide three reference letters that are not from a family member or friend
- Attend training programs
- Visit a councillor/advisor/mentor to discuss issues on-going
- Establish a buddy system

Tentative Answers

10. What will be the duration of loan (term)?

- The duration of the loan term will also depend on how big the loan amount is and how long the banks and credit unions are willing to give
- Include an option for a Deferral Period

11. What are the indicators of success?

- Ability to make monthly payments
- Ability to generate a profit for their business
- Create employment for others
- Contribute to community betterment