

This provides an update on World Vision's efforts to end extreme poverty by 2030 through Economic Empowerment.



## Economic Empowerment Executive Briefing

### March 2017

Greetings!

World Vision is delighted to send you our Executive Briefing for Economic Empowerment. You are an integral part of our work to end extreme poverty by 2030, so we want to keep you updated on our progress!

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**How microfinance is innovating to economically empower women**

**A note by Itzbeth Menjivar**

*March is the month of International Women's Day, an event created to celebrate the social, economic, cultural and political achievement of women. According to the UN's Commission on the Status of Women, in the economic empowerment arena, women continue to lag behind men in terms of economic opportunity, access to financial services, or equal pay for equal work (when a man makes \$1 a woman only makes \$0.77 for the same work). Increasing financial inclusion for women and harnessing economic opportunities are key parts of our pathway out of extreme poverty for women.*



Women and girls make up half of the world's population, but 70 per cent of its poor. They are underrepresented economically, politically and socially while at the same time bearing the responsibility for raising families and providing full lives for their children.

World Bank statistics show that 63 per cent of working women do not have a bank account, let alone access to insurance, savings and loan products. Women and girls do as much as 75 per cent of the unpaid work in a community, including time spent cooking, cleaning, fetching water and maintaining the household. With World Vision and others reducing time spent fetching water through its WASH programming, we also need to look systematically at using that liberated time to break out of poverty by furthering education, expanding the family farm, or starting a small business.

For the 1.1 billion women who lack access to these essential financial services, their ability to progress out of poverty is stunted. This March, the month of International Women's Day, World Vision and VisionFund are outlining ways that microfinance can be tailored to increase access, economically empowering women worldwide.

### **Refining loan design and delivery**

By providing women with access to financial services, women can both contribute to family incomes and participate more fully in local economies. 72% of VisionFund's small business loans are to women, a figure that rises to 92% in Asia. In too many places these clients are likely to be illiterate and have few assets, and have no access to formal employment. If they want a job and income they have to create and run their own business. In rural environments, farming is one of the very few options available. With access to World Vision's integrated farm-focused THRIVE programming which includes financial services, women can earn significant incomes. With these earnings, women can provide better food, education and sanitation for their families, spending \$0.80 of every \$1 they earn on their children.

Along with small business loans, VisionFund is piloting products that offer loans for fuel-efficient stoves, household water filters, latrines, solar energy and children's education. By providing women with integrated loan products that directly relate to the health and progress of their households, World Vision and VisionFund are helping to improve the lives of mothers and children, enabling progress out of poverty.

Core economic empowerment programs like THRIVE seek to provide access to farming inputs, agricultural training and fair market conditions. By assisting families beyond loans, and crucially by targeting more women over time, communities move forward and are resilient to set-backs.

## **Insurance for women**

Microinsurance is becoming a core service for microfinance clients, who use insurance products to protect their livelihoods, to recover from disasters and to mitigate risk as they scale up their businesses.

As with microloans, there are ways to tailor these insurances to women, addressing specific challenges. This can include health insurance with maternity coverage, crop insurance for women without land titles, and life insurance for spouses and children.

Read Alice's story to see how one woman's life in Malawi changed:

Alice (pictured) and her husband, Sydney, have two daughters, Bennadett and Clemensia. They are part of the Mposa community in Machinga, Malawi. Their region suffered from a widespread drought, which destroyed the primary crops farmers planted for their livelihoods. Recovery Loans from VisionFund have helped many families in the Mposa area rebuild their livelihoods after their maize crop failed twice due to drought and then floods.

Alice applied for a loan from VisionFund and invested it in growing vegetables, and later took another loan to purchase fertilizer and fuel for the communal pump that irrigates her vegetable garden. She was able to sell her vegetables at the local market to provide for her family's needs. "If it wasn't for the loan and these vegetables, I am sure that by today we would have sold our goats or split up the family in order to search for employment in the city," said Sydney, who revealed



that some households have adopted costly coping strategies such as withdrawing children from school and reducing food consumption which have long-term impacts. VisionFund has helped 150 families in the Mposa region by granting them loans to rebuild their livelihoods after their maize crop failed. Women use the income earned from growing vegetables to cover their daily needs, including their children's school fees and health care costs.

## **Harnessing technology**

Of the world's two billion unbanked, 70 per cent live rurally, relying on agriculture for their income. It is expensive and difficult to reach these people, when they are the most vulnerable.

Technology is being used to reach rural communities, bringing mobile phone banking and payment systems to smallholder farmers. For women, this means increased personal safety as they don't have to travel to a branch and it also provides confidentiality and control over their finances. Because of their traditional position in society, this safety and autonomy is invaluable to a rural, impoverished woman.

## **Women helping women**

At VisionFund, part of our mission is to reach and empower women. Knowing that this in turn means women will serve their families and communities. With VisionFund's financial services sustaining 4,400 jobs each day around the world, local economies are being activated.

By recruiting and training women branch staff and loan officers, the delivery of microfinance to women becomes easier. A mutual understanding between client and officer is easier to create, because the gender-specific struggles of cultures are shared and can be overcome with our help.

Improved access to financial services is essential if women are to close the gender gap, and move out of poverty. As World Vision and VisionFund's decades of microfinance work has indicated, if we can empower women, it is ultimately the children of this world who stand to benefit.

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**Itzbeth Menjivar**  
**Development Director, North America, VFI**

## Newsflash



World Vision Women's Economic Empowerment Call

March 29, 2017  
**8:00 am PST | 11:00 am EST**  
**30 mins.**

WebEx Details Below

Link to join by computer: [join the meeting](#) | Call: 1-877-668-4493; Access Code: 821 395 687

We invite you to a discussion and important announcement about the bold new vision World Vision and VisionFund International, the in-house microfinance network of World Vision, have to empower two million women and impact six million children annually by 2021.

We are honored to have a guest speaker, Jacki Zehner, on this call. [Jacki Zehner](#) dedicates her time and resources towards the advancement of women and girls. Jacki is the President of the Jacquelyn and Gregory Zehner Foundation, which funds and works with a variety of organizations and initiatives, with a particular focus on women's rights, women's foundations, movement building and media. Jacki is also the Chief Engagement Officer for [Women Moving Millions](#) (WMM), a non-profit organization with the bold mission of

mobilizing unprecedented resources for the advancement of women and girls.

## Around the World

- 1.1 billion women lack access to financial services
- 63 per cent of women lack access to a bank account
- 74 per cent of women lack access to formal savings
- 75 per cent of the poor – women and men – live in rural areas
- Women earn 25 per cent less income than men
- 72% of VFI clients are women
- 80 cents of every dollar earned by women is invested in her children compared with 30 cents by men

## In the News

An increase in the proportion of women accessing microfinance services by just 15% could potentially reduce gender inequality, as measured by the Gender Inequality Index, by half in the average developing nation. The finding comes from a recent study published in Applied Economics Letters that also found that cultural characteristics can influence this relationship. [Read more here.](#)

## Prayer Requests

### PRAISE

- For all that women do to strengthen and support their communities and families
- For the opportunity to work with such innovative and intelligent female leaders around the world
- For our donors who see, support, and celebrate the unique contributions women are able to make towards transforming the world

### REQUESTS

- That World Vision and VisionFund International are able to reach two million women with financial services annually by 2021
- That as a global community we see a growth in economic, political and social opportunities for women

## Video

Jaqueline used a series of VisionFund loans to build a business that grew four-fold in the first year

alone, and transformed the lives of the community members she employed. You can hear her story [here](#).



### Get Involved: World Vision Micro

Get involved and change the life of an entrepreneur by giving them a hand up with a Micro loan. You'll get exciting email updates about the business progress of your entrepreneur and how the lives of their family and communities are changing for the better. Visit [World Vision Micro](#).



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World Vision is a Christian humanitarian organization dedicated to working with children, families, and their communities worldwide to reach their full potential by tackling the causes of poverty and injustice. World Vision serves all people, regardless of religion, race, ethnicity, or gender.

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