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Developing a microfinance model to break the cycle of poverty

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Abstract Multigenerational poverty is common in developing countries. Illiteracy, poor health, and unemployment compound a person's ability to break the cycle of poverty. In this article, we break down the process of designing, testing, and implementing a microfinance model to help end multigenerational poverty in an impoverished refugee village in Uganda. We describe key decisions in developing the model and assess its effectiveness as an instrument in achieving this service objective. We believe our grassroots primary research can benefit many NGOs that might be contemplating lending programs in developing nations, as well as other collegiate institutions interested in implementing sustainable programs that allow students the opportunity to work on global issues in developing nations.

The notion that we can serve the poorest of the poor [using microfinance] without reliance on subsidy is far-fetched at this point. We will need to make changes not only to the model but [also] to the delivery mechanism.

— Robert Cull, Lead Economist, World Bank (2015)

1. A little can do a lot

Almost daily, you can find examples in the press that embrace a singular idea: To become an entrepreneur, one must raise millions or even billions of dollars in order to launch a successful company. Consider that Uber Technologies, Inc. and Airbnb, Inc. have raised about $15 billion (Sorkin, 2016) and $4 billion (Crunchbase, 2017) in funding respectively. How then, could $50 or $100 possibly satisfy an entrepreneurial dream? In the U.S. economy, the thought of a $100 loan to start a business would be unimaginable and unworthy of consideration. There are more than 350 million people living in extreme

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poverty—on less than $1.90 a day—in sub-Saharan Africa (World Bank, 2018), where a loan of $50 or $100 to entrepreneurs could have a profound effect on their livelihood and their business plan.

The Molloy-Masese Partnership (MMP), an entrepreneurship initiative we founded in 2016 in collaboration with H.E.L.P. International Uganda, aimed to revitalize opportunities for entrepreneurs in Masese, Uganda (see Appendix). Masese is a village of 25,000 in Eastern Uganda. It is mostly home to refugees and internally displaced persons from surrounding Kenya, South Sudan, and Northern Uganda with high rates of unemployment, malnutrition, and alcoholism. MMP researched, designed, and implemented a successful pilot microfinance model that provided the spark of investment needed for six female entrepreneurs to launch or expand a small business with only $50—$100. Christine, a produce vendor in Masese, received one of the loans during the pilot program and explained what it meant for her and her family:

> I had no hope for my future or my children's future. I struggled to survive each day. I prayed that God would send me someone who would give me an opportunity to earn a living. The MMP was the answer to my prayer. Using my $50 loan, I started a small produce stand. I now have hope. I can feed my children and pay my rent.

2. Project goal

The goal of this primary-based research was to develop a sustainable microfinance program to improve the economic, familial, and educational outcomes for the people in Masese, Uganda. The MMP model applies an integrated team approach, combining the strengths of two cultures to yield benefits for current and future generations. The team approach to the microfinance model was critical to the success of the program; the Ugandan team was responsible for administering the program and the U.S. team—composed of students and faculty at Molloy College—were responsible for fundraising and analysis of the loan applications. This approach promotes a collective effort and shared responsibility of all parties: Ugandans excelled in applying their local insights in an innovative program and improving upon their community, and Molloy College students gained firsthand experience in social change for the greater good. Together, the teams developed and facilitated a model that details each party's share in responsibilities and goals to accomplish the pilot's successful implementation. Cultural literacy and respect were foundational to the success of each team, bridging different cultures and compromising when needed on certain issues. Each trip to Masese by members of the U.S. team resulted in increased funding, expanded participation, and improved methods in management.

The MMP team identified an outlying area of research in microfinance; most microfinance research only looks at trends and how well the idea performs overall. However, there is little to no research available on effective models to implement microfinancing programs for early-stage nonprofit foundations. This article describes how to create and implement an effective microfinance program as a means to drive economic empowerment and opportunity in marginalized societies, specifically in developing nations. At the close, we make a case for how this model can provide tangible opportunities for universities and colleges to become advocates in social change beyond borders. All forms, procedures, and commentary associated with this project are contained herein.

3. History of microfinance

Lysander Spooner, 19th century philosopher and entrepreneur, theorized that giving microcredits to farmers and entrepreneurs would be a solution to alleviate poverty. One hundred years later, microfinance pioneer Mohammad Yunnis put Spooner's theory into practice with the advent of the Grameen Bank, which was founded to give loans to underserved people in Bangladesh. Over 20 years later, the World Bank (2015) estimated that the microfinance industry is worth $60—100 billion, serving over 200 million clients.

However, like all disruptions to the status quo, there is controversy surrounding the effectiveness of microfinance. In communities of extreme poverty, microfinance funds might be used to buy medicine or food instead of supporting a new business venture. In addition, short-term needs often result in the misuse of funds to pay off pre-existing loans, causing even greater debt default and perpetuating the stigma placed on marginalized individuals. The World Bank (2015) also raised concerns about the efficacy of microfinance in achieving its primary goal, reaching the poorest of the poor. Most for-profit microfinance institutions charge astonishingly high interest rates but only market themselves toward the relatively poor. This discrepancy between market proposition and mission alignment raises questions regarding the market motives by for-profit microfinance institutions. The BBC reported that in some extreme cases, loan recipients in India committed suicide due to their inability to pay back loans to for-profit lending institutions (Biswas, 2010). Despite controversy between the marketing and processing of loans by for-profit microfinance institutions, there is great hope for nongovernmental organizations (NGOs) and nonprofit organizations.

NGOs and nonprofit microfinance organizations are best known for their efforts to reach, serve, and impact disenfranchised communities because these types of organizations tend to concentrate efforts on a specific topic or cause. Furthermore, the 2016 United Nations' Africa Human Development Report noted that due to gender inequality, sub-Saharan Africa loses approximately $95 billion a year in the region's GDP (UNDP, 2016). Combining the concentrated efforts of NGOs and nonprofit organizations with the immense economic potential of engaging women in the informal economy, microfinance is an answer to accelerating the potential of entrepreneurship in Africa.

4. Historical context in Uganda

The complex political and ethnic history of Uganda has created a modern culture, perpetuating a cycle of poverty driven by great economic disparity not unlike other African Great Lakes nations. A historic catalyst for many issues still affecting modern Africa is the artificial territorial borders defined by European colonization, ignoring the significant political, cultural, and territorial interrelationships of pre-colonial African nations. The Buganda, Bunyoro, and Ankole peoples, originating from present-day South Sudan, were the three main dynasties in Uganda for hundreds of years. By the mid-19th century, the Buganda Kingdom—which became powerful allies with the Shirazis of Zanzibar—was the presiding dynasty in this region (Encyclopedia Britannica, 2018a). The first European to visit Buganda was John Hanning Speke from Britain in 1862; only 32 years later, British influence would dominate the region, declaring Uganda a British protectorate. In 1962, exactly 100 years after Speke's inaugural journey, Uganda declared independence from Great Britain, led by its first Prime Minister, Milton Obote of the Lango people from Northern and Central Uganda (BBC, 2018).

In 1971, Obote was overthrown in a military coup led by Idi Amin of the Kakwa people based in Southern Uganda, a rival political and ethnic group. Amin's coup was widely welcomed in the hope of the unifying the country; however, Amin soon abolished parliament and declared himself president for life. Amin also launched a reign of terror and violence against his rival political factions, divided over ethnic lines. Amin ordered all Asian and British foreign nationals who had not taken up Ugandan nationality to leave the country. The government repossessed abandoned businesses, and, by their neglect, allowed the promising Ugandan markets and businesses to collapse. The economic collapse caused the informal economy to become the only market for most Ugandan towns to access vital supplies. Over the next 10 years, there were several coup attempts made against Amin and, after a failed war against Tanzania, Amin fled Uganda and Obote resumed leadership as President after a controversial election in 1980. In 1986, the National Resistance Army (NRA) rebels, led by Yoweri Museveni, took Kampala and installed Museveni as President. During the 1990s, the Southern and Western parts of Uganda—where the NRA support was strongest—were relatively secure, allowing the opportunity for the first presidential elections in 1996, which Museveni won. However, while stability came to the South, in Northern Uganda, the government waged a brutal war against the Lord's Resistance Army (LRA), which was led by Joseph Kony. Kony's LRA inflicted terror in northern villages, murdering thousands of people and abducting children to be slaves and soldiers. Millions of Ugandans fled from the war-torn North and settled in Southern villages such as Masese. After a joint military operation with forces from the United Nations and surrounding nations, the LRA retreated from the country. For the last 10 years, Uganda has been relatively secure. However, the economic stagnation and disparity has not been remedied (The Commonwealth, 2018).

Due to instability in the economy, it is difficult for a Ugandan citizen to find a job that pays well and many will move from one side of the country to the other just for employment. Numerous Ugandans operate in a transcendent economy, living in large cities such as Kampala or Jinja during the week for employment and then returning to their home community—sometimes a great distance away—on the weekend. Demographics create employment insecurity as well; roughly 48% of the Ugandan population is below the age of 15 and about 29% of the population is between the age of 15 and 29 (Encyclopedia Britannica, 2018b). With more than 75% of the population below the age of 29, the result is a fierce competition for jobs. In Uganda, four out of five jobs are in agriculture; a Ugandan living in a city has a lower chance of getting a job due to the abysmal job opportunities outside of agriculture. For displaced persons in Uganda, this competition, coupled with a lack of education, necessitates young people's need to create their own economic opportunities by developing new businesses in order to survive.

Microfinance can create possibilities for future entrepreneurs to develop a sustainable business that would enable them to rise out of extreme poverty. Uganda is not the only country facing this global youth unemployment crisis; in Africa, 41% of the population is under the age of 15 (BBC, 2015). In the next decade, there will be an influx of young people in the job market in Africa facing job scarcity. Microfinance offers a positive employment solution throughout Africa for those new to or re-entering the workforce by providing seed money to develop a new venture or startup. Ronny Sitanga, MMP Country Director for the Uganda team, explained how MMP's microfinance model affected the community:

> The Masese community is very appreciative of the micro-business loans that have been availed to them to help improve their businesses. This is a very rare opportunity considering the fact that they are interest-free loans as most loans available are commercial with very high interest. I have closely worked with the women who received round one loans and I can confirm that the loans have helped improve their businesses.

5. Opportunity in an informal economy

To position the impact of MMP's microfinance project, it is essential to understand the context of Masese in order to provide the opportunity for other researchers to assess these results and replicate them in other developing economies. Masese is an extremely poor village located on Lake Victoria at the start of the Nile River, approximately 6 miles away from the city of Jinja, the second largest city in Uganda. Many of Masese's 25,000 residents fled to this village from wars or famine in South Sudan, Rwanda, and the Democratic Republic of Congo. Like many African refugee villages, the population is very fluid; people are moving in and out of the village causing the population to fluctuate constantly. The fluidity has contributed to economic and social instability in the village. A blend of regional cultures, it is the resilience of the people of Masese—who overcame such dire persecution—that binds their will to not only survive, but also thrive. Illiteracy is high among Masese's adult population and, combined with limited local employment opportunities, many children in Masese lack consistent access to nutrition, healthcare, and education.

Day-to-day transactions by families for food and services in Masese can best be described by the term *informal economy*; goods are bartered between households, services are performed to purchase food and necessities, but there are no taxes, banks, job security, or retirement. According to the *San Diego Union-Tribune* (2010), the informal economy relates to the "number of workers being paid under the table, without paying income taxes or contributing to such public services as Social Security and Medicare." The informal economy is often associated with illegal activity such as prostitution or drug trafficking; however, this assumption is not always correct as the informal economy in developing nations can also represent a large share of legal economic activity like produce stands, tailoring, or hair salons (The Economist, 2004). In Masese, the majority of families are single-parent households headed by a strong mother or grandmother. Understanding the limited opportunities in this informal economy for women, MMP created a network within Masese to engage highly motivated and resourceful women seeking economic opportunity to maintain the households they lead. Many women generate income for their families by designing jewelry from paper beads; this jewelry then is sold at open markets or to businesses in Jinja. Other women maintain livestock, sell or barter eggs from their chickens, milk from their goats, or vegetables from their garden. Men commonly work as day laborers or maintain low wages for unskilled employment in Jinja. With a lack of prior published research to support entrepreneurship in such an impoverished area, MMP began its efforts to research and design a microfinance opportunity by engaging locally to apply this impactful financial model to a new community setting.

6. The MMP model

6.1. A vision for the model

As founders of the MMP model, we share a strong passion for social justice and seeking new ways to alleviate poverty through education in developing countries by volunteering with NGOs, such as the Partnership for Global Justice and H.E.L.P. International. Through the financial and political efforts of H.E.L.P. International, the H.E.L.P. Primary School was founded in 2010 in order to provide quality education for the children of Masese. Our initial idea was to develop a microfinance model, supported by college students, to increase their social awareness and facilitate positive opportunities to empower emerging economies. Despite an abundance of information on implementing microfinance in mature and developing economies, there were very few practical models to guide MMP in launching such an initiative in an extremely limited economy. We sought procedures, frameworks, marketing strategies, and implementation guidelines, but only found articles concerning the concept of microfinance. In July 2016, we traveled to Masese to conduct firsthand interviews and design our own model for microfinancing. Together, we interviewed NGOs providing microfinance opportunities in Jinja, community leaders in Masese, and personnel of the H.E.L.P. Primary School to gather insight for the project and solicit concerns in facilitating the project's objectives. Critical to the adoption and sustainability of the project, leaders of the H.E.L.P. Primary school became the Ugandan implementation team for piloting the model.

6.2. Early findings

Many of the commercial microfinancing efforts in sub-Saharan Africa proved unsuccessful for a number of reasons: inability of potential borrowers to fill out forms, make the scheduled repayment schedule, or produce sufficient profits to afford the payment and the high interest charged by the lenders. There was an earlier microfinance effort by H.E.L.P. International in 2012. H.E.L.P. volunteers trained in finance conducted a series of small business development workshops targeted to members of the Masese community with the goal of preparing business plans and securing loans. However, most participants were unable to develop a viable business plan and of the three proposals received and funded, two defaulted on the loan.

During interviews with community leaders, we discovered that the most successful microfinancing efforts were led by NGOs that combined their strong sense of the community and commitment beyond profitability. Children of Grace (COG), a Christian-based missionary organization located in the city of Jinja, provided microfinance loans to help create small businesses in both Jinja and Masese. The group's mission is explained on its website[1]:

> Since 2001, Children of Grace has helped more than 2,600 Ugandan AIDS orphans and other vulnerable children. We believe that every child deserves a quality education so that they can make informed decisions, turn their dreams into reality, become self-sustaining and lead their communities out of poverty. The vision of Children of Grace is to equip students with the finest educational skills and training to become productive Christian leaders within their communities so that they can break the chains of poverty and HIV & AIDS.

Interviews with the microfinance project manager for COG provided key insights—some of which have been adopted into the MMP model. COG has an unusually high success rate that they attribute to close attention to the practical process of purchasing equipment and establishing the business. COG urged the MMP team to employ a local manager who could advise participants in the loan solicitation phase and monitor progress of loan recipients. As the model began to take shape, it became clear that the composition of skills found in MMP's local managers would be critical to the success of the project.

COG's manager offered further advice on the reasoning of loan defaults, the necessity for support, and the importance of targeted progress monitoring. Defaults occur most often when a recipient falls behind in payments, becomes frustrated or embarrassed, and loses confidence in the business venture. A cohort model was instituted by COG in order to address this negative cycle. Loan recipients are placed in a cohort of five members who meet together weekly to make payments and to discuss their progress. COG believes the cohort model provides an opportunity to share advice and instills in the recipients the need to pay as specified on the loan, thereby creating community accountability not to default. Lastly, COG's manager advised us to conduct an early visit to the location of the business in order to verify capital purchases. This then would be followed by regularly scheduled checkups in order to measure progress on establishing the business.

6.3. Developing the model

6.3.1. Mentorship for applicants and recipients

Interviews with Masese community leaders, the H.E.L.P. Primary School Management Team, and the leadership of COG provided significant insight into the factors congruent with implementing a successful microfinance program. Upon further reflection from the Ugandan team, many compounding factors limited H.E.L.P. International's first attempt at microfinance, including high levels of illiteracy and limited confidence in the English

[1] https://childrenofgrace.com/

language. Specifically, a local pastor and the Country Director of the H.E.L.P. Primary School observed that the inability to successfully formulate a business plan by the workshop participants was rooted in a low-level understanding of English, poor mathematical skills, and minimal business acuity. For the pilot MMP microfinance project to expound high-quality efforts, we had to mitigate the issue of illiteracy and business acumen so that a formal business proposal was a feasible output. In addressing this problem, MMP established the first critical factor in the model: a mentor/manager to guide the prospective loan recipient in writing a proposal and formulating a budget. One member of the H.E.L.P. Primary School community was identified to address this first critical factor and to help facilitate the launch of this program. This person had to be versed in the local language, knowledgeable of small business best practices including software like Microsoft Excel, and successful in advising individuals through the development of a viable business plan. An additional staff member was also consulted to conduct a comprehensive small business training for the applicants on the requirements to receive funding from the MMP project.

6.3.2. A trustworthy local team

An essential part of an effective model is a trustworthy team. It is an unfortunate reality that, in most developing economies, corruption is not only rampant but also assumed. It is important for an NGO considering such a venture to understand local people are often wary of outside help given the legacy of inconsistent and politically fraught aid. Therefore, selecting the members of the Ugandan MMP team was critical; the MMP team members had to have the respect and trust of the Masese community. We were advised that in choosing the local team, it would be vital for the team members not to be too close with the village community, as it might potentially introduce corruption between village and team members. In order to fairly assess loan applications and make unbiased approvals, a subset of the Ugandan team consisting of an odd number of people (three members: a pastor, the H.E.L.P. Primary School social worker, and the Country Director of H.E.L.P.) was identified for this purpose. Table 1 details tasks for the Ugandan team.

The initial stage of the MMP model requires the application mentor to assist applicants in composing a viable business plan and cost analysis for the loan. Under the Ugandan team's advisement, applicants are charged a minimal processing fee in order to emphasize to the applicants that they were applying for a loan, not a monetary gift. After the application is complete, it is sent to the Ugandan assessment team. These trusted members interview the applicant, review the business plan, and decide its viability. The team then submits all the applications electronically, along with recommendations, to the U.S. team to confer on a final loan decision. The Ugandan team must send all the applications, including those the Ugandan team deems unfit to fund, to avoid any perception of corruption or favoritism.

The clear line of responsibilities in the development, assessment, and disbursement of funds for a project between the Ugandan team and the U.S. team was agreed upon to protect the Ugandan team from community reprisal on nonfunded proposals. Since it would appear that the U.S. team—not the Ugandan team—was responsible for the decision, the Masese people would be less likely to be offended or moved to take action against the Ugandan team if not selected. After the initial set of interviews and selection of the Ugandan team, along with an agreement of responsibilities, both teams believed the model was viable, albeit untested (see Figure 1).

6.4. Finally rolling out the pilot program

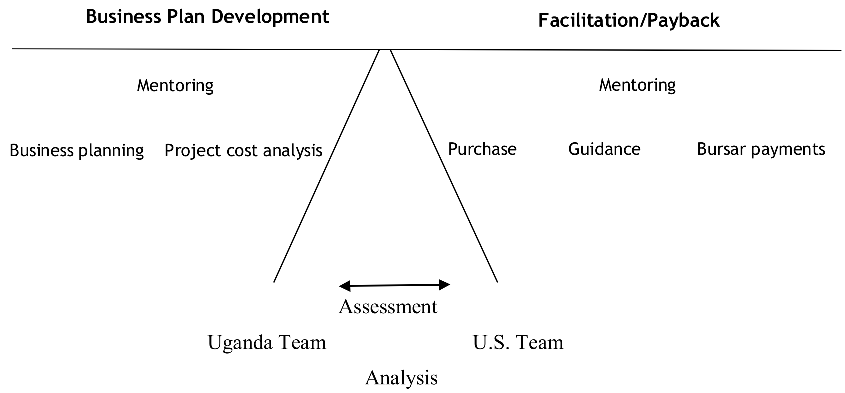
As an approach to launch the program and attract applicants, the Ugandan team suggested a free business training course to cover the basics of business and describe the microfinance model. There would be no fee to attend the course, and team members would be present to answer any attendees' questions. The interest was shockingly substantial; only 30 or 40 attendees were expected, but over 240 people attended the session. Upon completion of the course, loan applications were dispersed to all interested applicants (see Table 2).

The course garnered a positive response from the community but also raised concerns regarding capacity in the program to ensure its successful

Table 1. Tasks identified for the Ugandan team

Employ a knowledgeable individual to conduct small business training and explain the application process.
Employ a tech-savvy person to help candidates develop their application and formulate a budget in order to work with the cohort to secure payments.
Work with the U.S. team to assess proposals and facilitate communication with the loan recipients.
Purchase equipment specified in the loan and deliver to identified business location.
Establish a cohort support system in order to monitor payment and progress.
Visit the businesses to verify location and business activity.

Figure 1. The microfinance model



implementation. The Ugandan and U.S. teams agreed that the optimal way to initialize the microfinance program was to limit participation to members of the H.E.L.P. Primary School community, including parents as well as faculty. The Ugandan team cited leverage for making payment and the lack of collateral as factors for this decision. Understanding the culture of Masese, the Ugandan team believed it was imperative to alert potential loan applicants that their children's education at H.E.L.P. Primary School was the loan collateral and that their children would be dismissed if the parent did not pay the loan. When lending to school employees (e.g., faculty members), the opportunity was there to withdraw their loan payment from their monthly salaries.

Depending on the type of business venture, the teams could agree not to disperse the full loan amount at one time. The Ugandan team could recommend funding the recipient enough to obtain the materials to start the business. The mentor would then verify when the loan recipient had started the business in the area as specified in the loan application. With this confirmation, the rest of the loan would be provided to the recipient. To monitor progress consistently, mentors conducted weekly checkups to the recipient's business to confirm funds had been deployed according to plan and to report on the business operations. For the more substantial loans, it was recommended to provide a loan payment grace period to help ensure that the recipients were able to initiate their business. After the grace period, loan recipients were expected to start their repayment schedule with payments once a week. In order to help recipients pay back the loans, they were put into cohort groups with other loan recipients. The act of repayment became a communal activity and further incentivized payback of the loans (see Table 3).

Although the loans were defined as interest-free, the U.S. team established a payback model in which each payment had a small interest component. Once the loan was paid fully by the loan recipient, the accrued interest was returned to the loan recipient. The interest component was intended to act as a tool to help motivate entrepreneurs to save a portion of their proceeds in order to reinvest in their business. Sarah, a Masese salon business owner, described the impact:

> The loan opportunity I received was very important because I bought more materials for my business. I am also very thankful for the fact that I am not required to pay any interest. The initiative of contributing a small amount of savings with my repayment of the loan has helped develop my saving culture.

Table 2. Observations and guidelines for the pilot

Many of the families in the village are single-parent households led by a mother and/or grandmother. It was anticipated that the majority of loans would be made to women beginning new businesses.
Establish a small fee to be paid by applicants for the processing of the loan application. (Fee is equivalent to $1.50)
The Ugandan team would hold a meeting explaining the program to any of the village members who may be interested in participating. The goal will be to assess interest and to explain the process of applying for the loan and repaying the loan.
The average loan was thought to be equivalent to $50 and repaid within 6 months.
The high level of illiteracy in the community itself will limit the number of small business plans developed, and as such needed to be addressed in the model.

6.5. Success factors

The mentorship/management proved to be a critical factor in the success of the MMP. As indicated

Table 3. July 2017 loan distribution

Recipient	Sex	Amount (UGX)	Amount (USD)	% Paid	Project/Status
Allen	M	200,000	60.61	100%	Bananas, struggled. Quickly changed to charcoal, vegetables, and chickens.
Margaret	F	200,000	60.61	50%	Chickens, struggling to succeed.
Caroline	F	250,000	75.76	100%	Tailoring, used to buy fabric. Looking for second loan to expand business.
Sarah	F	300,000	90.91	100%	Hair salon, used to buy more products. Looking for second loan to expand business.
Christine	F	150,000	45.45	80%	Bananas.
Florence	F	260,000	78.79	40%	Smoked fish, struggling.

earlier, both teams understood that to yield high-quality proposals, the program must find ways to solve the issue of illiteracy and business understanding to field formal, viable business proposals. This pilot verified that mentorship is a crucial success factor for any NGO attempting a microfinance program in a community like the one described in Masese. The Ugandan team was fortunate to find a college intern pursuing a degree in business who was an organizational fit. Part of the mentor's compensation plan is based on the number of completed proposals, thus emphasizing the value of this function in the model.

Allen, a charcoal vender and grocer in Masese, described his experience with the pilot program:

> I thank H.E.L.P. International for the loan they gave me. My small business was almost crumbling, but I was able to save it when I got the loan and injected it in. The business is back and running and my only wish is that I get another opportunity in round two to make it better.

7. Microfinance as a tool for social awareness at the collegiate level

Recently, many universities have begun to recognize and apply programming to match their societal responsibility. It is to the benefit of college students for universities to focus on the role community service can play in creating impact locally as well as globally. All human beings—regardless of their nationality, their gender, or their political affiliation—are citizens of one single community. This idea is known as cosmopolitanism derived from the Greek *kosmopolitês*, meaning 'citizen of the world,' and it argues that every person in the world has a shared morality (Kleingeld & Brown, 2013). If a university student were to adopt this ideology and label himself or herself a global citizen, then he/she must recognize a duty to help others in need in this global community. However, the prospect of tackling an issue such as world hunger or global poverty might seem insurmountable to a college student. Most would be uncertain of how to begin. Although students might desire to be part of a meaningful venture, many may not partake without a perceived, tangible result or benefit for their efforts. Perhaps most often, they simply question if they have the resources or abilities to make any kind of difference in the world.

Microfinance programs such as MMP address these perceived barriers and provide viable engagement opportunities for university students to become instrumental members of the global community. Due to the increased availability of technologies such as smartphones and internet connectivity in developing nations, the ability to communicate between a university student in the U.S. and an entrepreneur in Uganda has never been easier. Although by no means is it easy to create a microfinance project at a university, MMP's empirical evidence and data shows that with hard work and determination between students and advisors, it is entirely possible to create a successful microfinance project and student club. MMP's team-based model has the ability to make an impact in the world by reducing multigenerational poverty, giving the less fortunate an opportunity to thrive in the world, and teaching university students the value and importance of service.

Creating a microfinance partnership project can benefit a university by providing an opportunity for more students to become involved in global trends in social impact. Business students who join a microfinance club have the opportunity to explore the grey economy firsthand and the dynamics of how an emerging economy operates. By assessing and approving the business loan applications, students develop the soft skills needed to empathize with an entrepreneur, deepen their understanding of the complexity of multigenerational poverty, and learn the hard skills of evaluation and model implementation—furthering their critical quantitative expertise through real-world application. Business students gain experience working on a project that has a profound effect on people's lives in the global community as well as their own. A university with a microfinance club spreads awareness to students around campus not just about microfinance, but also about life in developing nations and the impact of community service.

Consider Molloy College, a small college located on Long Island, New York, consisting of a population of approximately 3,500 undergraduate students. Similar to most small communities, their understanding of issues tends to be parochial and students often reflect this geographically limited mindset. The founding of the Microfinance Club at Molloy College, known as the Molloy-Masese Partnership, put the issues of world poverty and life in developing nations at the forefront of the students' minds. Due to the club's high level of activity on campus, an influx of students now are made aware of, and engaged with, these global issues. Most student members of the club had no prior experience working in a nonprofit environment, nor were they afforded the opportunity to work on a project that makes a tangible difference in the global community. Current club member Ryan Gribbon-Burket reflects the uniqueness of this opportunity:

> Prior to joining the Molloy-Masese Partnership, I was involved in other clubs on campus that focused on student-campus life. Although those clubs are important, personally, my involvement in MMP has been my best club experience and I feel as if I am truly making a positive difference in the world.

Through microfinance, students are learning about life in developing nations, service work, and the responsibilities of being a global citizen. They have the opportunity to have their opinions heard and shaped while earning a platform to work on a meaningful venture. The presence of the MMP club provides the opportunity to create and cultivate a culture of giving on campus. The impact of microfinance is so personal that students at a small college in New York can have their perspective radically expanded to include the lives of aspiring entrepreneurs and their challenges 7,000 miles away in Masese, Uganda.

8. Sustainability and expansion of a model

MMP's pilot, consisting of 6 entrepreneurs and the estimated 12 entrepreneurs who were given loans in phase two in early 2018, offers initial primary research for a sustainable microfinance program. The program will scale with the increase in the number of loans granted in each succeeding phase, as well as when other undergraduate institutions who are searching for avenues to bring a global awareness to poverty discover this model and replicate it. This research shines a light as a sustainable approach for students to become actively engaged in addressing world problems such as illiteracy, malnutrition, disease, and poverty. This project started with a $325 donation and belief in the idea of microfinance and has generated student interest, faculty donations, and administration support—all in the spirit of doing more. On March 31, 2017, Telecare TV, broadcast nationally on select cable and satellite systems, produced a 30-minute documentary on MMP that generated donations and expanded loan opportunities. Scale has already begun and will continue to grow as other institutions continue to learn about the early success of these initiatives.

Can $50 or $100 satisfy an entrepreneurial dream? It is apparent, through the implementation of a nonprofit microfinance project such as the Molloy-Masese Partnership, that yes, $50 or $100 can dramatically help an entrepreneur in a developing nation begin a business. It is a sobering reality that there is multigenerational poverty in developing nations throughout the world. Microfinance is not a quick solution to the multifaceted issue of global poverty; however, MMP offers a sustainable model that gives people the opportunity to climb out of extreme poverty through hard work and develop a foundation that can benefit future generations.

Appendix. Application form

Molloy-Masese Partnership

Every day, Masese is being transformed into a place of joyfulness and aspiration by the hard-working members of this village. Hope is budding as this impoverished village begins to see a way out of the past generations of subsistence living. As a partnership, Molloy College, the Partnership for Global Justice, and H.E.L.P. International plan to ensure that education and economic self-sufficiency will help end the cycle of poverty. With persistence on both sides of the ocean, the future leaders of Uganda may very well come from Masese. We look forward to reviewing your business plan and approving your opportunity to make a contribution to the financial growth of your family and our village.

Name: ________________________________ Phone Number: ____________________

Address: ________________________________ Marital Status: ____________________

How long have you lived at this address? ________ Number of Children: ________________

National ID number: ______________________ Age: _________

Children attending H.E.L.P. Primary School

Name: ___________________________ Class: _______________________

Name: ___________________________ Class: _______________________

Two references' names and phone numbers:

(Select two from the following: LOC, religious leader, landlord, employer)

Name: ___________________________ Signature: _______________________

Title: ___________________________ Phone No: _______________________

Name: ___________________________ Signature: _______________________

Title: ___________________________ Phone No: _______________________

Please describe the type of business and how funds will be used to support and develop this business:

Amount requested: _____________

Equipment requested and cost:

Address of the location of this business

What kind of competition is there for this business?

What resources or collateral do you have to support this business?

Please describe the payment amount and schedule for paying the loan back:

Form Prepared By:

Name: ______________________ Signature: ____________________

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