

***“PRO MUJER IN SEARCH OF  
SUSTAINABLE ALTERNATIVES FOR  
YOUTH”***



***Topic C: Providing Financial Services to Youth: Key Considerations***

**September 2007**

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*...provide Latin America's poorest women with the means to build livelihoods for themselves and futures for their families through micro-lending, business training, and healthcare support.*

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# Integrated Service Model

## Microfinance

Access to Credit and Savings

Training: How to use credit



*Communal  
Association*

## Healthcare

Education/Awareness/Tests

Links to affordable Healthcare

## Social Development

Gender, domestic  
violence, empowerment,  
leadership

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El Alto  
Population: 864.575

Bolivia – Nicaragua –  
Peru – México –  
Argentina

32% – ages 5 to 19  
34% – ages 20 to 39



87% under poverty line





Since 2004...

PRO MUJER began to work in the city of El Alto. Districts 5 and 6.

Adolescents: ages 14 to 17  
Young adults: ages 18 to 25

Support of Kellogg Foundation.



# Policies and Regulations

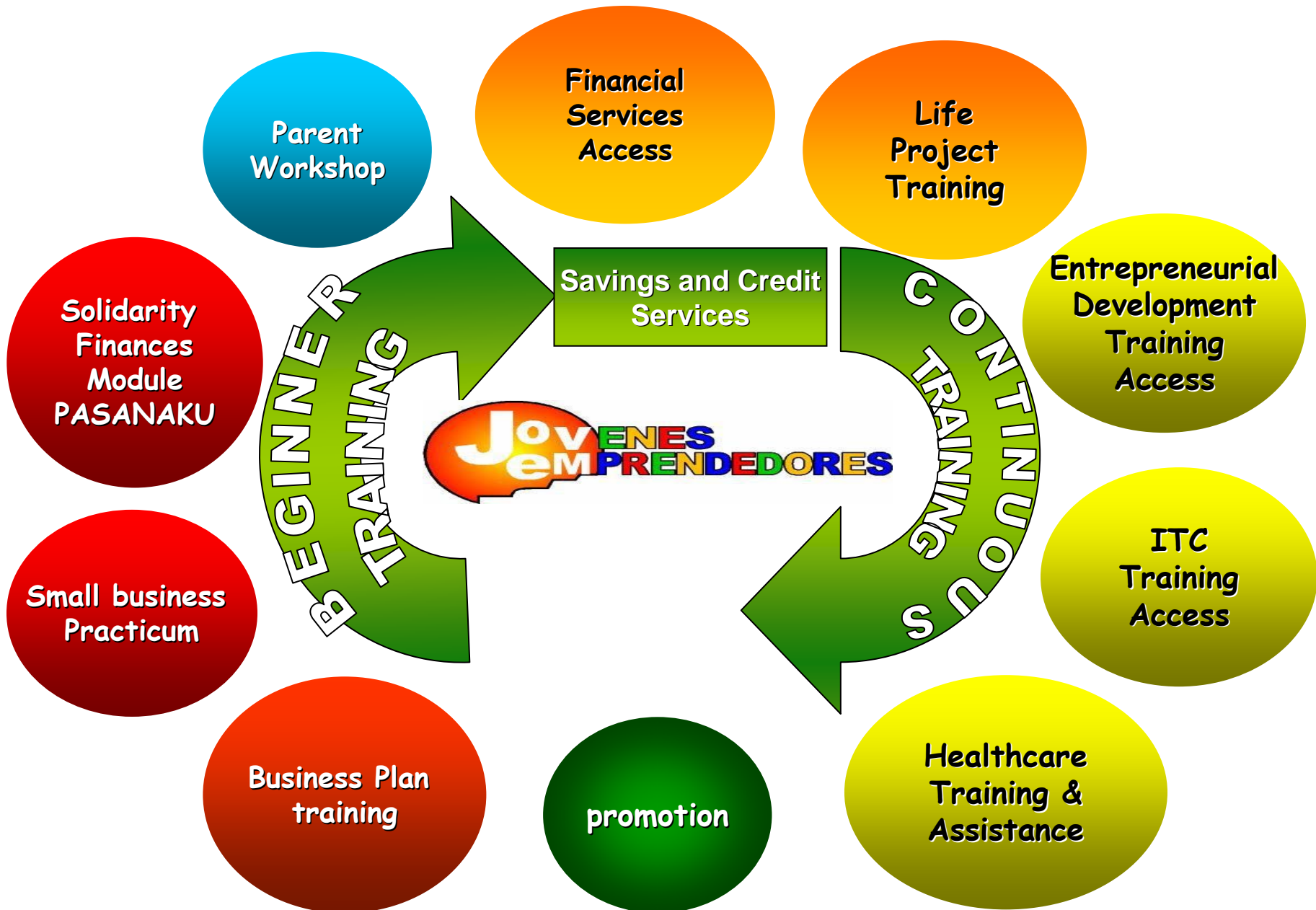
**Youth Communal Association/Solidarity Group** from 3 to 25 adolescents or young people.  
**Solidarity Guarantee.**

At least one adolescent or young person had credit, the rest of the members were savers.



- **Working Capital.**
- Set up a **new business or improve the current one.**
- **Services, Commerce and Production:** Shoe repair, sale of candies and foodstuff, knitting, making underwear, jackets, sweaters.
- **Loan amount** between US\$20 and 100.

# Kellogg's Project Process



## December 2006 Results

- **750 adolescents and young people started Initial Training.**
- **46% finished Beginner Training (350).**
- **13% accessed credit (48 clients).**
- **31 Youth Communal Associations.**
- **118 loans disbursed.**
- **Average loan amount: \$US 100.**
- **Gross Portfolio: \$US 3,500.**
- **Portfolio at risk: 0%**

## Lessons learned

**Probability of success is higher when the youth business is related to the same activity of his/her family business.**

### **Causes of Drop Outs:**

- **Length (3 ½ months) of Initial Training.**
- **Concerns about accessing credit.**
- **Preferences for just having savings.**
- **Prioritize continuing their education.**
- **Migration to other cities or countries.**
- **Demand for larger loan amounts.**
- **Lack a clear business idea.**

**Parents and relatives forbid their children from taking out a loan due to past experiences.**



***NEED TO ADJUST THE METHODOLOGY OF  
ENTREPRENEURS YOUTH PROGRAM***

***In search of...***

***sustainability***

***profitability***

***Support of Bill and  
Melinda Gates  
Foundation.***

***replicability***

# Market Research

Identify **characteristics, needs and the environment** of adolescents living in condition of socioeconomic exclusion and poverty.

Research carried out in **El Alto, Cochabamba y Santa Cruz**.

Combine Quantitative and Qualitative tools:

Surveys.

Focus groups.

In-depth interviews.



*Focus Group*

# Topics described

- **Attitudes.**
- **Preferences for Training.**
- **Family Business.**
- **Family experience with Financial Services.**
- **Financial Service knowledge.**
- **Employment (part time or full time).**
- **Income and expenses.**
- **Contribution to family income.**
- **Culture of Savings.**
- **Need for Loans.**



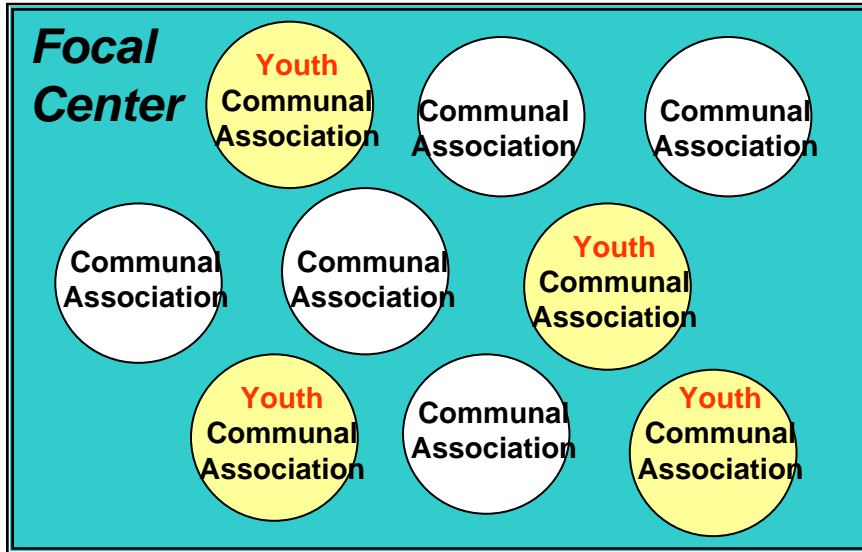
## What we found out?

- Working and earning some income.
- Families own a small business.
- Contribute to family income.
- Training is very important.
- Interesting in a business loan.
- Youth initiate an entrepreneurial activity in response to:
  - losing a parent.
  - need to increase family income.
  - continue a technical or college education.
- Youth express certain goals:
  - a college/university degree.
  - stable employment.
  - better socioeconomic status.
  - fulfilling the parent's expectations.

## Early ideas portfolio design

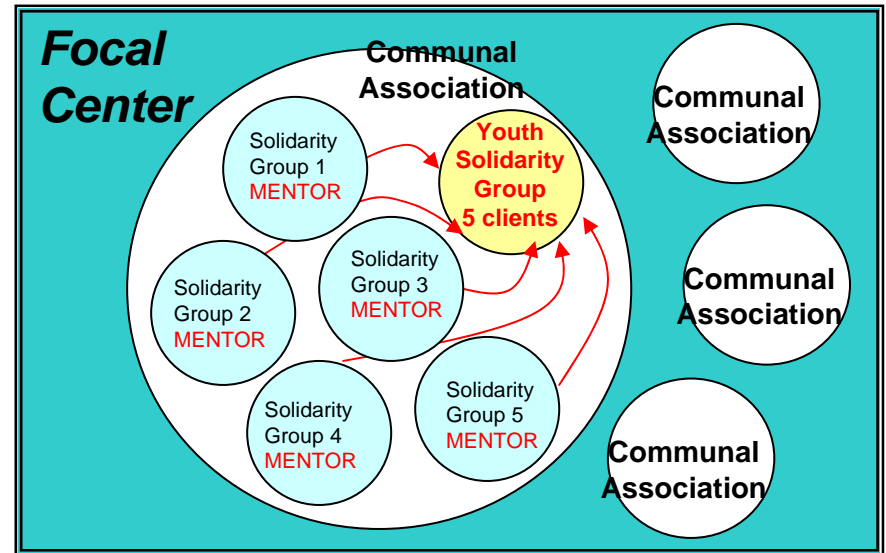
- **Individual Credit**, youth between ages 16 and 30, who could offer collateral.
- **Seed Groups**, for adolescents between ages 14 and 17 with no work experience or their own business, but are interested in saving and/or receiving training.
- **Solidarity Group**, for young people between ages 16 and 23, under two forms of solidarity group technology:

# Solidarity Group alternatives validated

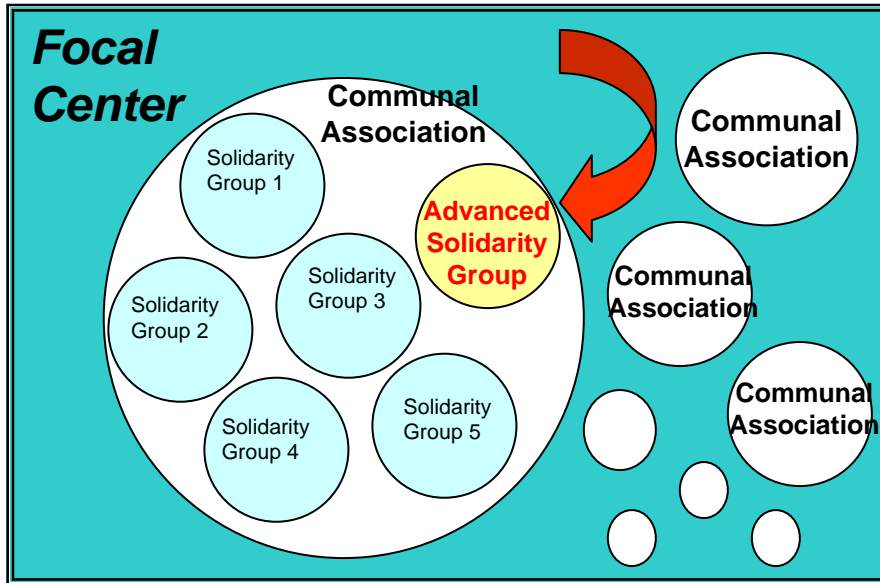


**Youth Communal Association**

**Solidarity groups with "mentoring"**

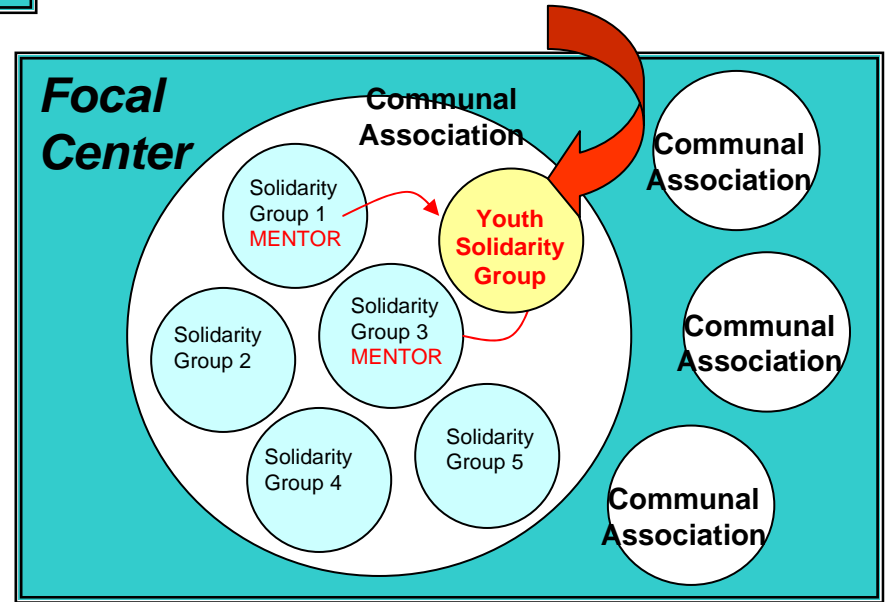


# Pilot prototype



**Advanced Solidarity Group**

**Solidarity groups with "mentoring"**





# Financial Services



- **Working Capital.**
- **Activities: Services, Commerce and Production**
- **Product characteristics the same as Communal Associations:**
  - **Loan Amount by cycle (up to US\$150)**
  - **Loan term: 4 to 6 months.**
  - **Frequency: every 14 ,21 or 28 days.**
  - **Annual Interest Rate: 32%.**
  - **Savings: 20% per cycle.**
- **Solidarity guarantee: Youth Solidarity Group independent from the Association.**

# Human Development Services

- Training in business skills and entrepreneurship: personal goals, business ideas, market analysis, sales, costs, etc.
- Healthcare training.
- English and computer skills.
- Basic health assistance.
- Micro insurance.





**¡Si tienes entre 16 y 23 años  
VIVES en la ciudad de El Alto!**

**Ven a**

**JÓVENES  
emPRENDEDORES**



**pro mujer**

**¡Piensa en tu futuro ahora!  
y sé un líder emprendedor.**

**Inscribiéndote en el programa Jóvenes  
Emprendedores de PRO MUJER, tú podrás:**

- Recibir capacitación y fortalecer tus habilidades y destrezas en negocios.
- Conocer las ventajas de ahorrar y aprender a hacerlo con nosotros.
- Recibir capacitación crediticia y acceder a micro créditos para iniciar o continuar tu emprendimiento.
- Acceder a atención en salud básica para ti y tu familia.
- Acceder a cursos de inglés, computación y muchos beneficios más.

**Puedes encontrar información en:**

**Centro Focal Juan Pablo II:** Av. Del Arquitecto No. 19, entre calles 4 y 5, cerca de la Cruz Papaí en la Av. Juan Pablo II.

**Centro Focal Los Andes:** Av. Juan Pablo II, esq. Campesino (calle S) No. 104, a una cuadra del Sauma Paraiso Tropical.

**Centro Focal Alto Lima:** Av. Alfonso Ugarte esq. Calle Sargentillo Carrasco No. 50, Zona Bellavista.

**Centro Focal Senkata:** Av. 6 de Marzo No. 488 (a dos cuadras de la Plaza de Senkata) lado extranca.

**Los horarios de atención son:**

De lunes a viernes de 8:30 a 17:00 en horario continuo.

# BOLIVIA

en imágenes



*Thank you!!!*