



GLOBAL
PARTNERSHIPS

Alternativa Case Study

Learning about clients and
measuring progress



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Executive Summary

Project Background

ABOUT GLOBAL PARTNERSHIPS

Global Partnerships (GP) is an impact-first investor whose mission is to expand opportunities for people living in poverty. GP invests in social enterprise partners that deliver high-impact products and services that enable people to earn a living and improve their lives. **GP's portfolio is comprised of a growing number of Investment Initiatives that are designed to address various facets of poverty.**

GP is dedicated to understanding the outcomes achieved through its investments. It employs an iterative impact management practice that draws on qualitative and quantitative data from various domains to gain deeper insight into what works, why, for whom, and under what circumstances. As part of its on-going learning program, GP launched a case study initiative with partners across its focus areas. This report describes the results from a case study conducted by Microfinance Opportunities (MFO) in partnership with the GP-investee Alternativa in Peru.

ABOUT ALTERNATIVA

Alternativa is a non-profit development organization operating in Peru. It works in five core areas: environment and infrastructure development, strengthening democratic institutions, economic development, microfinance, and social development.

Its microfinance program targets vulnerable, female micro-entrepreneurs using a village banking methodology, where groups of 15 to 40 women collectively receive a loan from Alternativa and guarantee its repayment, managing the distribution of the loan and repayment internally. In addition, Alternativa offers women access to a variety of education programs. Alternativa believes that credit and education will enable women to live healthy lives and operate successful businesses, ultimately improving their wellbeing.

Research Objectives and Design

GP and Alternativa initiated the study with three goals. The first goal was to learn more about Alternativa's clients, including their poverty profile and resilience to economic shocks. The second goal was to assess the effectiveness of two education modules—one on over-indebtedness and one on self-esteem—offered by Alternativa. The third goal was to evaluate the impact of a health campaign operated by Alternativa's partner, the Peruvian League Against Cancer (PLAC), on Alternativa clients who participated.¹

GLOBAL PARTNERSHIPS BY THE NUMBERS*

19 COUNTRIES
where GP has worked

121 PARTNERS

10 MILLION LIVES IMPACTED
(estimated number as a result of GP's investments in partners)

\$300.4 MILLION
cumulative capital deployed

13 INVESTMENT INITIATIVES

*As of March 31, 2018







PARTNER: Alternativa

COUNTRY: Peru

FOUNDED: 1992

1. The campaign involves a mobile unit visiting community groups. Group members are offered educational materials and the opportunity to pay a nominal fee for preventative screenings.

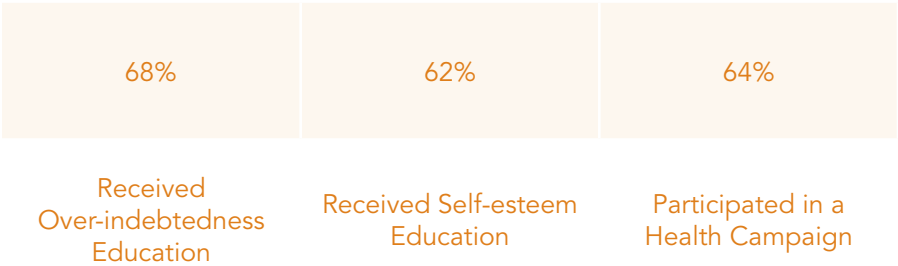
Specifically, the partners aimed to answer three research questions:

-  What is the poverty profile of Alternativa’s clients?
-  How resilient are Alternativa clients to fluctuations in their cash flow and to economic shocks?
-  Do clients who receive the over-indebtedness and self-esteem education modules demonstrate the knowledge, attitudes, and behaviors taught by the program?
-  Do clients who participate in the PLAC health campaign demonstrate the knowledge and behaviors taught during the event?





MFO, in consultation with GP and Alternativa, designed a survey to provide insight into these questions. The survey collected descriptive data from clients on a diverse set of socioeconomic indicators. It also collected data on knowledge, attitudes, and behaviors related to the over-indebtedness and self-esteem education and the PLAC health campaign. It is important to note that all clients surveyed by MFO were receiving credit from Alternativa and could have also participated in other education related to the topics evaluated, in periods prior to the study.

The study took place in Lima Norte, where Alternativa operates. At the time of the study, Alternativa served roughly 3,000 clients in 168 groups. MFO selected groups that had completed either one of the education programs as well as groups that had not participated in either program in order to allow for an analysis of the education programs’ effectiveness.

In total, MFO surveyed 258 clients:






Results

-  MFO's survey showed Alternativa's clients had a poverty profile consistent with individuals living in moderate poverty in Peru. Respondents reported their incomes to be relatively consistent, but sometimes inadequate to cover their expenses.
-  If clients had experienced a negative household event—46 percent of surveyed clients had—it was most frequently because they or someone in their family was ill or injured. Regardless of whether they experienced a negative event, coming up with extra cash was a real concern for clients.
-  The case study showed that, generally, clients had good knowledge of and attitudes towards the topics covered in the over-indebtedness and self-esteem modules and that they engaged in behaviors aligned with what was taught in the program. However, after controlling for other variables, there was no evidence that clients who received either the over-indebtedness or self-esteem modules had better knowledge, attitudes, or behaviors than clients who did not receive the trainings.
-  Similarly, women demonstrated good knowledge of the information communicated via the PLAC health campaign, although the data suggest their knowledge may have been gained through other sources such as unrelated medical personnel or their village banks. There was evidence, however, that clients who took part in the health campaign were more likely to have conducted a preventative screening, suggesting that women were choosing to seek the care offered by the PLAC.



Key Insights

-  The Poverty Probability Index (PPI) indicates that Alternativa's clients have a low probability of living below the national poverty line in Peru, but a high probability of living at twice that level. This is not surprising given that Alternativa works with a relatively stable client base on the outskirts of Lima. Furthermore, the version of the PPI tool used in this study is relatively insensitive to urban versus rural poverty. In turn it is important that we consider client tenure and aspects of non-monetary poverty, such as food insecurity and economic resilience when we evaluate the poverty outreach of an organization like Alternativa.
-  While it is positive that clients demonstrated good knowledge of and attitudes towards topics covered in the over-indebtedness and self-esteem modules, the lack of difference between the clients who received the education and those who did not begs the question of value-add. While reinforcing known concepts can be helpful for clients, over time new concepts may need to be introduced in order to deliver additional value.
-  This study highlights the benefit of looking at client behaviors alongside a control group. Women reported receiving Pap smears and mammograms at roughly equal rates, regardless of whether they participated in the campaign. However, the program's impact appears to lie in increasing the rates of HPV and acetic testing as well as breast self-exams.





Project Background

Impact Objectives

GLOBAL PARTNERSHIPS

Global Partnerships' (GP) provides working capital loans to partner enterprises to strengthen and scale the delivery of goods and services that enable low-income households to earn a living and improve their lives. Through access to financial services, education, and health services GP aims to empower women with the resources and information they need to make informed decisions, practice preventative healthcare, smooth their income and consumption, build assets, and better absorb economic shocks.

ALTERNATIVA

Its microfinance program targets vulnerable, female micro-entrepreneurs using a village banking methodology, where groups of 15 to 40 women collectively receive a loan from Alternativa and guarantee its repayment, managing the distribution of the loan and repayment internally. In addition, Alternativa offers women access to a variety of education programs. Alternativa believes that credit and education will enable women to live healthy lives and operate successful businesses, ultimately improving their wellbeing.

GLOBAL PARTNERSHIPS

Within its Women Centered Finance with Education and Health initiatives, GP aims to improve the economic resilience, health and well-being of households by empowering women as income earners and decision makers.



Alternativa is a non-profit development organization operating in Peru. It works in five core areas: environment and infrastructure development, strengthening democratic institutions, economic development, microfinance, and social development.



EDUCATION PROGRAMS

Alternativa sees education as a strategic component of its microfinance programs. Its “Education for Women Entrepreneurs” curriculum has seven thematic modules: organizational strengthening, leadership and local development, personal development and gender, financial education, business management, health, and environment. This case study was designed in part to assess sections of two of Alternativa’s education modules:

- “Over-indebtedness,” a section of its financial education module; and
- “Self-Esteem,” a section of its personal development and gender module.

The over-indebtedness section’s main objective is to educate clients about the dangers of over-indebtedness by teaching them to assess their credit alternatives and consider the consequences of taking on too many loans. The self-esteem section’s main objective is to help participants identify and internalize a range of ideas and feelings associated with self-worth. It also aims to connect participants’ self-esteem to their entrepreneurial abilities.

In addition to its education programs, Alternativa partners with other local institutions to provide value-added services to its clients. The PLAC campaign is one such service. The PLAC offers their campaign as a separate activity from Alternativa’s health education modules.

Alternativa uses a collaborative process to determine where to launch the health campaign. In local communities, women leaders work together to determine the demand for different types of education and other support

Theory of Change

INPUTS AND ACTIVITIES	SHORT-TERM OUTCOMES	MEDIUM-TERM OUTCOMES	LONG-TERM OUTCOMES
Working capital loans via village banking method	<ul style="list-style-type: none"> • Alleviated short-term cash flow shortages • Increased business investment 	<ul style="list-style-type: none"> • Enterprise growth • Increased income • Improved economic resilience 	<ul style="list-style-type: none"> • Improved economic well-being
Financial education	<ul style="list-style-type: none"> • Knowledge of loans, their management, and the use of other financial tools 	<ul style="list-style-type: none"> • Attitudes and behaviors associated with better money management 	<ul style="list-style-type: none"> • Improved economic resilience • Improved economic well-being
Self-esteem education	<ul style="list-style-type: none"> • Knowledge on objectively identifying one’s own qualities and self worth 	<ul style="list-style-type: none"> • Assertive entrepreneurial and life decisions 	<ul style="list-style-type: none"> • Increased autonomy
Health education and services	<ul style="list-style-type: none"> • Knowledge of health conditions • Increased participation in health screening 	<ul style="list-style-type: none"> • Behaviors associated with prevention 	<ul style="list-style-type: none"> • Improved health

for their groups at the start of each year. Based on this information, Alternativa works with the PLAC to visit communities throughout the year where the demand for health information is the highest. Once in these communities, Alternativa distributes educational materials such as leaflets and brochures prepared by the PLAC. Personnel from the PLAC hold awareness talks with clients, provide them with educational pamphlets, and offer women the opportunity to conduct screenings. Women in the village bank groups can then choose to opt-in to counseling and preventative screenings conducted by PLAC staff. The screening comes at a nominal cost to the women—they pay about 10 soles, which is less than the 25 soles charged by local clinics. However, women in groups visited by the campaign are not obligated to pay the fee—they can receive the educational materials but opt out of the preventative screenings.

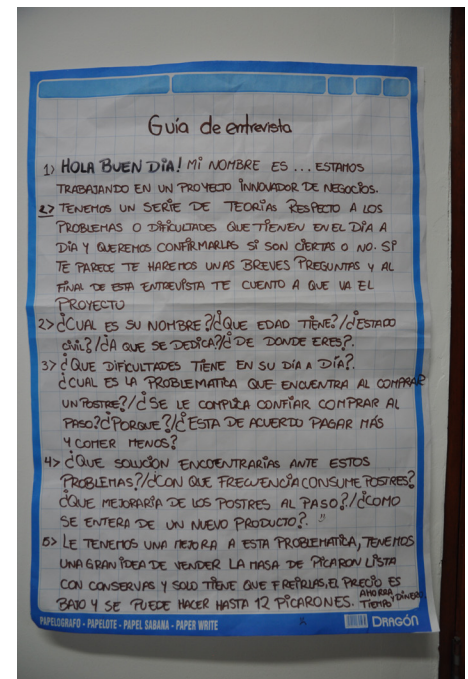
Learning About Clients and Measuring Progress

HYPOTHESES AND RESEARCH QUESTIONS





GP and Alternativa entered into this case study with the goal of learning more about the clients who Alternativa serves. Specifically, the study aimed to provide quantitative socioeconomic data about clients as well as data about their economic vulnerability and resiliency that would complement Alternativa's programmatic data and qualitative understanding of clients' lives. Furthermore, this study aimed to examine the effectiveness of the sub-set of the education programs described above as well as the effectiveness of the PLAC campaign.

GP, Alternativa, and MFO hypothesized that:

- Clients who received the over-indebtedness education would have higher levels of financial literacy related to the topics in the education and be less likely to report being engaged in a negative debt cycle than those who did not receive the education;
- Clients who received the self-esteem education should demonstrate more positive attitudes towards themselves than clients who did not receive the education; and
- Clients who participated in the health campaigns, would be more knowledgeable about identifying symptoms and risk factors associated with breast and cervical cancer and would be more likely to have conducted a preventative screening compared to those clients who did not participate in the health campaign.



To capture these learnings and frame these hypotheses, the partners identified four main research questions:

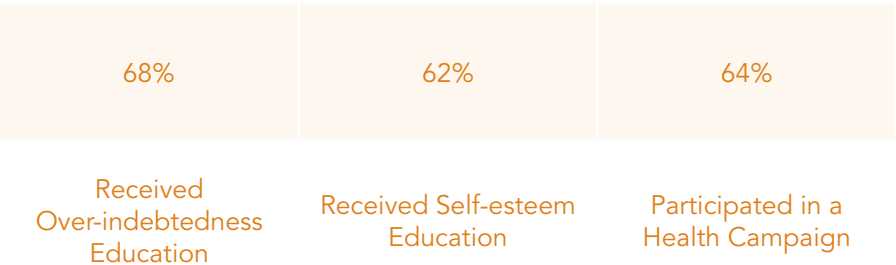
-  What is the poverty profile of Alternativa’s clients?
-  How resilient are Alternativa clients to fluctuations in their cash flow and to economic shocks?
-  Do clients who receive the over-indebtedness and self-esteem education modules demonstrate the knowledge, attitudes, and behaviors taught by the program?
-  Do clients who participate in the PLAC health campaign demonstrate the knowledge and behaviors taught during the event?

RESEARCH METHODS

At the time MFO executed this case study Alternativa’s microfinance program served roughly 3,000 clients in 168 groups operating in the eight districts that make up Lima’s “Cono Norte.” To establish the sample frame, MFO worked with Alternativa to identify the clients who had participated in the over-indebtedness and self-esteem modules or a PLAC health campaign. MFO randomly selected clients from this list. Since not all clients had received both trainings and participated in a health campaign, this approach allowed MFO to create counterfactual groups for each intervention. In other words, MFO was able to compare clients who had received the over-indebtedness module to those who did not; clients who received the self-esteem module to those who did not; and clients who participated in a PLAC campaign against those who did not.

Selected clients’ poverty likelihoods, as measured by the Poverty Probability Index (PPI), were similar to Alternativa’s clients generally. They also had a similar geographic distribution. This suggests the sample was broadly, if not statistically, representative of Alternativa’s clients in this region.

Of the 258 clients interviewed by MFO:



SURVEY SAMPLE

MFO worked with Alternativa to coordinate interviews with selected clients. Alternativa’s credit officers contacted clients to determine if they were willing to participate in the study and identified central locations that would minimize the distance that clients would have to travel. MFO conducted interviews at those locations. Through this process, MFO interviewed 258 clients.



Results

Client Profile

Research Questions:

- What is the poverty profile of Alternativa's clients?
- How resilient are Alternativa's clients to fluctuations in their cash flow and to economic shocks?

Answer:

A typical client in this case study demonstrated the following characteristics at the time of the survey:

- She is a married woman who completed secondary school and is living in a four-person household.
- She earns money from a micro-business, such as owning a small store, selling prepared foods, or selling clothes; her husband likely earns money through a variety of informal work or is employed in construction or as a driver.
- She lives in moderate poverty, but she states that her income is relatively consistent. However, there are times during the year when it was insufficient to cover her expenses.
 - This may explain why roughly 29 percent of women surveyed reported having limited or inadequate access to food at some time during the previous year, and over half of the women reported having limitations that caused them to consume less preferred, less expensive foods.

- If she has experienced a negative household event—46 percent of surveyed clients had—it was most frequently because she or someone in her family was ill or injured. In this event, she had to rely on loans from financial institutions, friends and family, or savings to pay for any unexpected expenses.
- Regardless of whether she experienced a negative event or not, coming up with extra cash was a real concern for her; she may have had to turn to particularly stressful strategies to cope, such as taking out a loan to pay off another loan.

In sum, this data is consistent with households living in moderate poverty. Women worry about the ability to respond to shocks. While they are likely to be able to respond to such shocks if they occur, some may have to turn to particularly stressful strategies to do so.



DEMOGRAPHICS

Alternativa operates in urban and peri-urban areas around Lima. In Lima Norte, Alternativa works in eight districts: Puente Piera, San Martín de Porres, Comas, Los Olivos, Carabayllo, Independencia, Ancón, and Santa Rosa. It also operates in two districts in the Province of Callao: Ventanilla and Mi Perú. Collectively, a quarter of the metropolitan population lives in this area.² The districts are full of vibrant, occasionally chaotic suburbs with lively centers. On the outskirts are comparatively isolated hamlets nestled in the hills of the desert. In communities throughout this area, Alternativa facilitates the creation and operation of village banks, which include female micro-entrepreneurs.

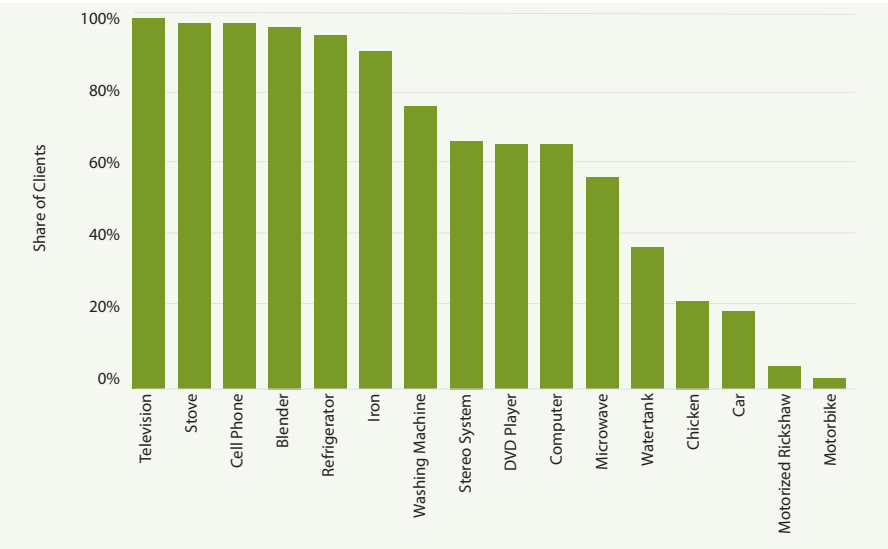


Marital Status		Education		Household Size	
Married/Cohabitation	68%	None	0%	1	1%
Separated/Divorced	10%	Grade school incomplete	6%	2	4%
Single	13%	Grade school complete	24%	3	6%
Widowed	8%	Secondary school complete	47%	4	24%
		Some technical school or university	22%	5 or more	65%

Lupe is one such entrepreneur. At the time of the survey Lupe was 44 years old, had a primary school education, and was married. She lives with her husband and two children on the flanks of one of the many sandy hills of the District of Puente Piedra, on the northwestern edge of Lima Norte.

Her home is one story, made with bricks and cement, and has two bedrooms. Like most women in the sample, she owns basic appliances such as a stove, fridge, television, and blender. Like 76 percent of surveyed clients, Lupe also owns a washing machine.

Assets

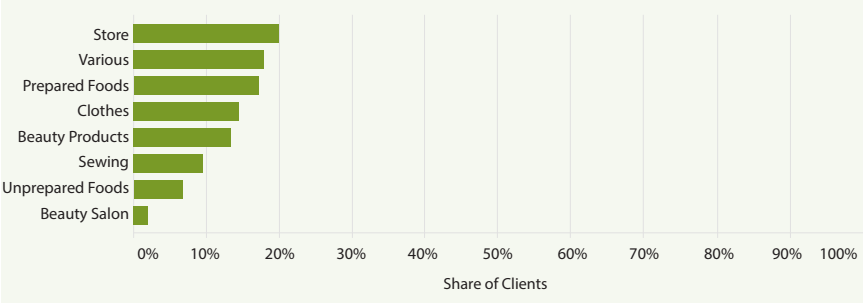


2. Población de Lima Metropolitana. In (Ed.), Una Mirada a Lima Metropolitana (11-11). Lima: Instituto Nacional de Estadística. 2014.

* This client's name has been changed to protect client privacy. The picture shown here is of a different Alternativa client, but not the one profiled in this report.

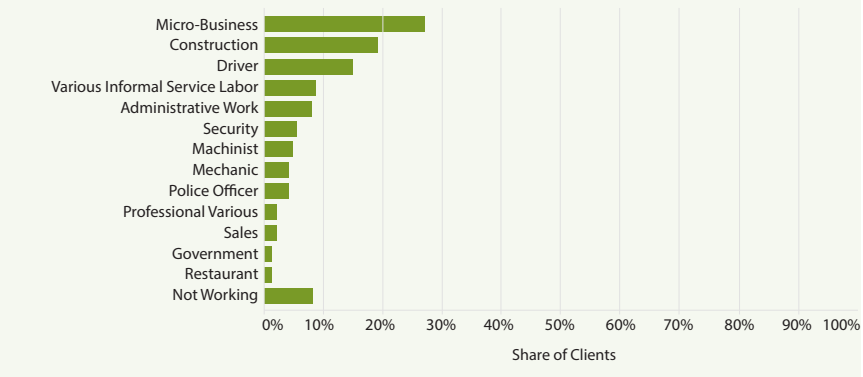
To earn money, Lupe runs a small store and sells cosmetics by catalog. Owning a store was one of the top three business activities reported by women in the study, along with selling clothes and prepared foods. Lupe’s husband works in construction, as many of the husbands of surveyed clients did.

Respondent Livelihood



Eighty-one (81) percent of respondents had a micro-business. This graph represents the types of businesses owned by those women.

Spouse Livelihood



About 70 percent of clients lived with a spouse or partner. This graph represents the livelihoods of the spouses or partners of those clients.

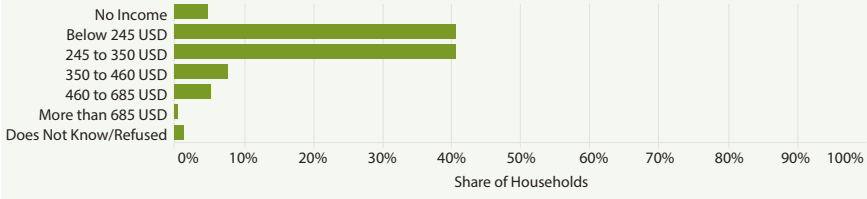
RESULTS

MFO’s survey showed Alternativa’s clients had a poverty profile consistent with individuals living in moderate poverty in Peru. Respondents reported their incomes to be relatively consistent, but sometimes inadequate to cover their expenses.

INCOME AND POVERTY LEVEL

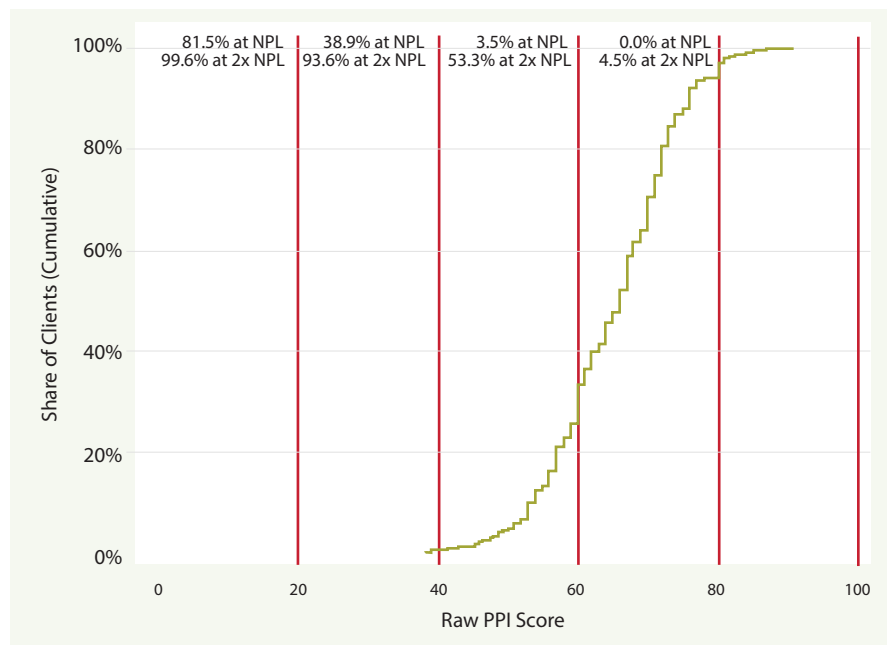
Lupe told us that she earns less than 800 Peruvian soles each month from her business activities, the equivalent of about USD\$510 per month after adjusting for purchasing power. In comparison, the national poverty line in Peru is 328 soles per person per month, or 1,312 soles per month for a family of four (equivalent to USD\$837 per month after adjusting for purchasing power). In metropolitan Lima, where Lupe lives, the Instituto Nacional de Estadística e Informática estimates the poverty line to be closer to 534 soles per person per month. Thus, if Lupe worked on her own, this data suggests she would be well below the poverty line. However, Lupe’s husband earns money too and his income helps to keep the family afloat.

Income Category



According to the Poverty Probability Index (PPI), which measures poverty at the household level, at the time of the study Lupe's family had only a 1.5 percent chance of living below the national poverty line but a 38.3 percent chance of living below twice that level. The typical client in the sample had a similar poverty likelihood, and a distribution of poverty likelihoods suggests that clients generally lived at or slightly above a moderate poverty threshold.

Since joining Alternativa, 72 percent of surveyed respondents reported a perceived increase in their income, while only one percent reported a perceived drop in their income.³ Lupe, like 79 percent of clients, considered her income to be regular and reliable.



This graph shows the cumulative distribution of respondents based on their raw PPI score. The red, vertical reference lines present estimates of the probability that a household with the given PPI score lives at or below the national poverty line (NPL) and twice the NPL (2x NPL).

KEY INSIGHT:

The Poverty Probability Index (PPI) indicates that Alternativa's clients have a low probability of living below the national poverty line in Peru, but a high probability of living at twice that level. This is not surprising given that Alternativa works with a relatively stable client base on the outskirts of Lima. Furthermore, the version of the PPI tool used in this study is relatively insensitive to urban versus rural poverty. In turn it is important that we consider client tenure and aspects of non-monetary poverty, such as food insecurity and economic resilience when we evaluate the poverty outreach of an organization like Alternativa.

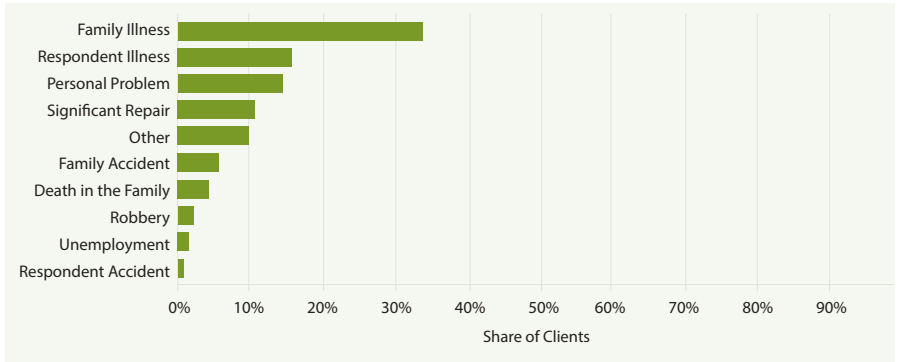
RESILIENCE

Although clients reported reliable incomes, they also reported that sometimes they did not earn enough to purchase household necessities. Fifty-one (51) percent of respondents, including Lupe, experienced at least one instance in the last year in which their income was not enough to cover the expenses of the household. Roughly one-third of clients reported that, at some point in the past 12 months, a shortage of cash caused them to worry about whether there would be enough food in the household. Furthermore, over half the clients reported that, during the last year, they experienced cash shortages that led the household to consume foods that were less expensive but less preferred, and 23 percent of clients said cash limitations led them to decrease the sizes of food portions for the family.

3. The scope and nature of this study does not permit directly attributing these perceived increases to participation with Alternativa's programs. The national poverty rate in Peru has fallen dramatically in the past 10 years so it is probable that these households benefited, at least in part, from macroeconomic trends.

Unexpected negative events, such as an illness or an accident experienced by the client or the clients’ family members, represent an important source of financial stress. Forty-six (46) percent of the surveyed clients reported experiencing one such unanticipated event during the last year.

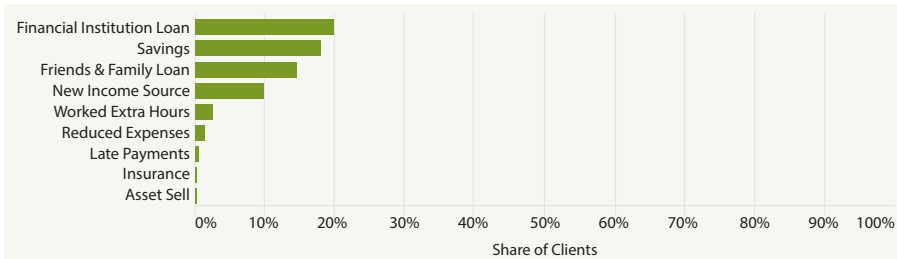
Unexpected Events



Forty-six (46) percent of respondents reported experiencing an unexpected, negative event in the last 12 months. This graph represents the share of events that those respondents reported.

When experiencing such a negative event, women turned to different sources of cash in order to cope. The three most frequently used sources of financing were obtaining a loan from a financial institution, savings, and requesting a loan from friends and family. About 10 percent of women initiated a new income generating activity, such as having a “pollada,” or barbeque, to raise money from friends and neighbors. A minority of women reported working more, reducing their expenses, suspending the payment of a financial obligations, using insurance, or selling an asset.

Actual Coping Mechanisms



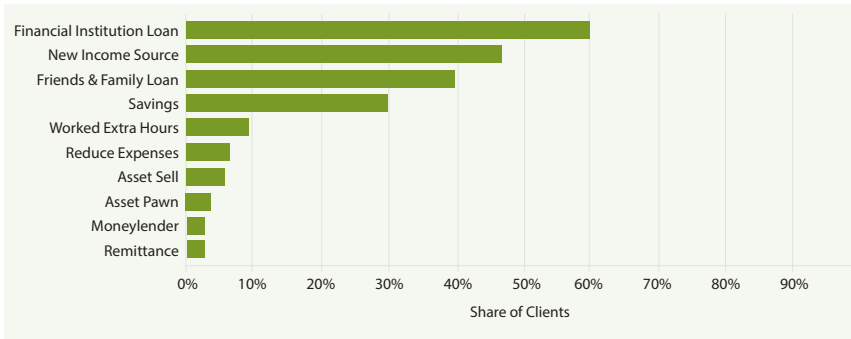
This graph shows the types of coping mechanisms used by the 46 percent of clients who experienced a negative event.

RESULTS

If clients had experienced a negative household event—46 percent of surveyed clients had—it was most frequently because the client or someone in her family was ill or injured. Regardless of whether they experienced a negative event, coming up with extra cash was a real concern for clients.

MFO also asked clients about the sources of cash they would turn to if they had to face a hypothetical negative event right then (at the time of the interview). This question provides insight into how women plan to cope, given that 50 percent reported being worried about coming up with cash in the face of an unanticipated, negative event. Again, turning to a financial institution for help was the most mentioned coping mechanism.⁴ Generating a new income source was the second most common response followed by a loan from friends and family members. Fewer women reported using more unpleasant coping strategies like selling an asset or using a moneylender.

Projected Coping Mechanisms



4. The survey did not collect data on which MFIs clients turned to in times of need. However, about 38 percent of clients reported having a loan with a financial institution other than Alternativa.



Program Effectiveness

Research Questions:

- Do clients who receive the over-indebtedness and self-esteem education modules demonstrate the knowledge, attitudes, and behaviors taught by the program?
- Do clients who participate in the Peruvian League Against Cancer (PLAC) health campaign demonstrate the knowledge and behaviors taught during the event?

Answer:

Over-indebtedness Module

- After controlling for other variables, there was no difference in knowledge between clients who had participated in the education and those who did not.
- Over half of surveyed clients reported that payment capacity was a determining factor in what size loan to take.
- Eighty-nine (89) percent knew that it was more expensive to borrow from moneylenders than from MFIs.
- Thirty-five (35) percent reported that they took a loan to repay a loan at some point, which is considered a particularly stressful coping strategy and potential sign of overindebtedness.

Self-esteem Module

- Overall clients reported high levels of self-esteem; however after controlling for other variables, there were no differences between the clients who participated in the education and those who had not.
- Almost all clients recognized the importance of self-confidence as a determinant of self-esteem.
- Clients typically reported high levels of self-satisfaction and pride.
- Clients considered themselves to be valuable entrepreneurs.

Health Campaign

- There was no statistically significant evidence that indicates that women who participated in the health campaign were more knowledgeable about symptoms and risks factors associated with breast and cervical cancer than women who did not participate, after controlling for other factors.

- There was no evidence that indicated that women who participated in the campaign were more likely to conduct a Pap smear exam or a mammogram than women that did not participate in the campaign.
- There is statistical evidence that suggests that women who participated in the health campaign were more likely to have conducted a self-breast examination, a human papilloma virus (HPV) test, and an acetic acid test.⁵
- Ninety-nine (99) percent of surveyed women had heard about breast and cervical cancer; 95 percent were aware of how to conduct a breast cancer self-examination.
- Women reported that the two most common sources of knowledge for cancer information were medical personnel not related to the health campaign and the community banks.⁶ About 30 percent of clients reported learning about the diseases during the PLAC health campaign.
- Women were especially familiar with the appearance of lumps, an important symptom to notice when conducting a breast self-examination, but were unfamiliar with other important symptoms.
- A little less than half of the women were unaware of risk factors that contribute to the development of cervical cancer. About 25 percent of women reported multiple sexual partners or sexually transmitted diseases as risk factors.
- Ninety-three (93) percent of women had conducted a Pap smear exam in the last year and 72 percent had conducted a breast self-examination.

6. The acetic acid test is a screening test for early detection of cervical cancer. It distinguishes clinically normal cells from abnormal cells in the cervix in order to detect and treat cervical dysplasia in asymptomatic women.

5. MFO research staff observed and Alternativa staff anecdotally reported that branch staff try to promote positive health behavior among women in informal settings, which may explain these learnings at the village bank. It is also possible that women share information with each other while in their community groups.

Research Design

Alternativa offers different education programs to its clients. While there are full education programs, sometimes only parts of these trainings (“modules”) are delivered to clients and the modules offered can vary between village banks. For this case study, Alternativa and GP agreed to examine a financial education module on over-indebtedness and a module on self-esteem. Additionally, the case study examined a health campaign operated by the PLAC. Specifically, the study collected data on clients’ knowledge, attitudes, and behaviors related to topics covered by the education programs and health campaign. It also aimed to identify differences between clients who participated in the interventions and those who did not.

In total, MFO surveyed 258 clients:

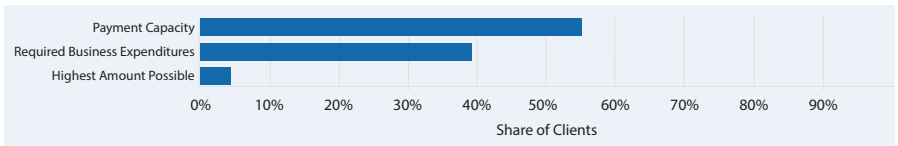
68%	62%	64%
Received Over-indebtedness Education	Received Self-esteem Education	Participated in a Health Campaign

OVER-INDEBTEDNESS

Knowledge

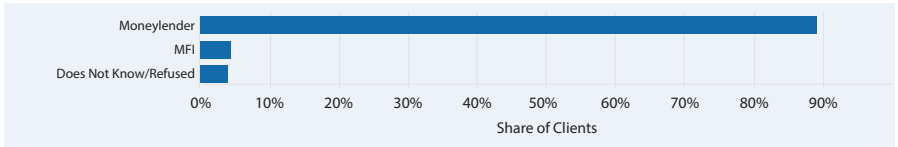
When asked to identify the most important piece of information in determining how much to borrow prior to loan disbursement, 56 percent of clients said that “the capacity to pay” was the most important factor while 39 percent said one’s business needs were the driving factor.

How Did You Decide How Much to Borrow?



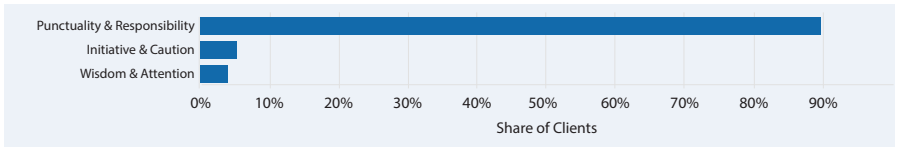
When asked to choose the cheapest borrowing option between an MFI and moneylender, 89 percent of clients reported knowing that moneylenders were a more expensive loan source than MFIs.

Which is More Expensive?



In addition, 89 percent of respondents reported that punctuality and responsibility were the most important factors in managing a loan.

What Elements Are Important for a Successful Loan?



RESULTS

The case study showed that, generally, clients had good knowledge of and attitudes towards the topics covered in the over indebtedness and self-esteem modules and that they engaged in behaviors aligned with what was taught in the program. However, after controlling for other variables, there was no evidence that clients who received either the over-indebtedness or self-esteem modules had better knowledge, attitudes, or behaviors than clients who did not receive the trainings.

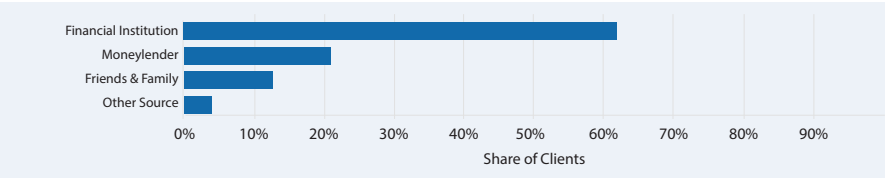
Attitudes

Almost 68 percent of clients reported that they were not worried about paying the next installment of their Alternativa loan, but 24 percent of clients were somewhat worried and eight percent were very worried about their next payment, indicating that a sizable minority of clients are still facing moderate financial stress and may be over-leveraged.

Behavior

Nearly 36 percent of clients said that they, at times, have taken a loan to pay off another loan, which is another indicator that there is a portion of clients that may be struggling to manage their debt. In most cases, the clients who engaged in this behavior used a loan to repay a loan to a financial institution. In a minority of cases, the destination of a new loan was a repayment of an old loan taken from a moneylender or from friends and family members.

Destination of Repayment for Other Sources of Financing



Effectiveness

MFO compared the answers of clients who received the over-indebtedness education to those clients who did not receive it using statistical models that controlled for the effects of other factors such as tenure with Alternativa, income level, education, household size, and age. Those models showed that there were no statistically significant differences between the two groups of clients.

KEY INSIGHT:

While it is positive that clients demonstrated good knowledge of and attitudes towards topics covered in the over-indebtedness and self-esteem modules, the lack of difference between the clients who received the education and those who did not begs the question of value-add. While reinforcing known concepts can be helpful for clients, over time new concepts may need to be introduced in order to deliver additional value.

SELF-ESTEEM

Attitudes

The self-esteem education aimed to help participants identify and internalize feelings of personal capacity, self-worth, personal qualities and potentials. The data suggest that clients hold positive views on their self-esteem. Ninety-seven (97) percent of clients reported that an important contributor to one’s self-esteem is on one’s self-confidence and this was a more important determinant than one’s intelligence or financial security.

Indicator	Strongly Agree	Agree	Disagree	Strongly Disagree
On the whole, I am satisfied with myself	21%	73%	6%	–
Today, I feel that I do not have much to be proud of	–	15%	75%	9%
Today, I feel that I have a large number of good qualities	22%	67%	9%	1%
All in all, many times I think I have failed	–	22%	68%	9%
I consider myself a valuable entrepreneur	44%	56%	–	–
I often feel discouraged with my business	1%	11%	77%	11%

However, like with the over-indebtedness education, there was no evidence that these behaviors were linked to the self-esteem education. There was no statistically significant evidence that clients who received the self-esteem education were more likely to hold a better view of themselves than clients who did not receive the education.

HEALTH CAMPAIGN EFFECTIVENESS

Cancer Prevention

Alternativa works to improve the health of their clients and clients’ families by offering various health trainings. Alternativa provides education through its internal education programs and through partnerships with other public and private actors that operate in the territory, including the Peruvian League Against Cancer (PLAC). It is the PLAC health campaigns that are the focus of this evaluation.

Alternativa works in cooperation with the PLAC and village bank leaders to identify locations to conduct an annual health campaign. Once the most accessible locations are identified, a mobile unit visits different communities and districts over a two-week period. During the campaign, personnel

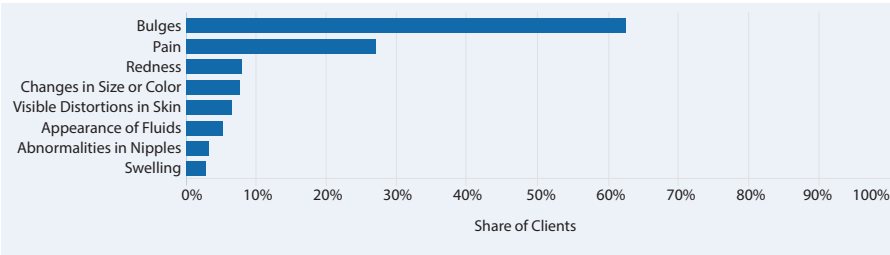
from the PLAC hold awareness talks with clients, provide them with educational pamphlets, and offer women the opportunity to conduct screenings. These screenings are done as a preventative measure to help women to identify potential risk factors associated with the development of breast and cervical cancers.

Knowledge

Ninety-nine (99) percent of women had heard about breast and cervical cancer and 95 percent of women were familiar with breast self-exams. Most of the respondents reported learning about the diseases through several sources. Over half of respondents reported that the most common source was medical personnel unrelated to the campaign. Women’s village banks were the second most common source of information. Media channels were mentioned by about 30 percent of respondents and 30 percent of respondents reported receiving information from the health campaign organized by the PLAC.

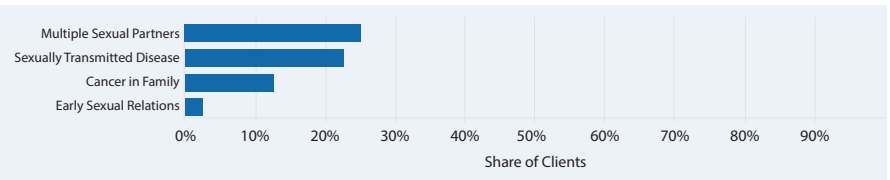
Sixty-three (63) percent of women mentioned that the appearance of bulges was an important symptom to notice during a breast self-exam while experiencing pain was mentioned by 27 percent of women. Other important symptoms however—such as experiencing swelling and observing abnormalities in nipples, among others—were mentioned at considerably lower rates by clients.

Knowing What to Look for in Breast Self-examinations



When asked about their knowledge of risk factors associated with developing cervical cancer that were presented in campaign materials, 48 percent of women stated that they did not know of any or mentioned an unrelated reason. Having multiple sexual partners and having a sexually transmitted disease were the two risk factors mentioned with the highest frequency. Ten percent mentioned a history of cancer in the family. Early sexual relations was mentioned by only three percent of women.⁷

Knowledge of Cervical Cancer Risk Factors



RESULTS

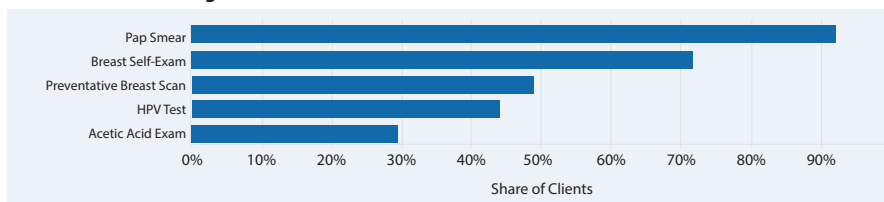
Women demonstrated good knowledge of the information communicated via the PLAC health campaign, although the data suggest their knowledge may have been gained through other sources such as unrelated medical personnel or their village banks. There was evidence, however, that clients who took part in the health campaign were more likely to have conducted a preventative screening, suggesting that women were choosing to seek the care offered by the PLAC.

The campaign materials present a variety of information to clients. For instance, one brochure provides general information about health and cancer, including information on positive eating habits and exercise while suggesting clients should avoid smoking and too much sun exposure. There are also brochures specifically targeted to the symptoms and signs of cervical and breast cancer.

Behavior

Women were conscious of the importance of conducting a Pap smear as a cervical cancer prevention measure: nearly 93 percent of clients had conducted a Pap smear exam during the last year. Seventy-six (76) percent had conducted a breast self-exam. When women who were aware about how to conduct a self-exam but did not do it were asked why they behaved in that way, most reported neglect as the main barrier that prevented them from conducting the test. Forty-nine (49) percent of women had conducted a preventative scan of their breasts, including a mammogram and ultra-sound. Women reported at lower rates to have conducted an HPV test and an acetic acid test.

Preventative Screenings



Effectiveness

MFO compared the answers of women who participated in the health campaigns to those women who did not participate using statistical models that controlled for the effects of other factors such as tenure with Alternativa, income level, education, household size, and marital status. We found that there was no statistical evidence of the existence of knowledge differences as a result of women's participation in the health campaign. There was no evidence that indicated that women who participated in the campaign were more likely to conduct a Pap smear exam or a mammogram than women who did not participate in the campaign. There was statistical evidence that women who participated in the health campaign were more likely to have conducted a breast self-examination, an HPV test, or an acetic acid exam than women who did not participate in the health campaign.

The PLAC offers Pap smears, mammograms, the HPV test, and the acetic acid exam. Given that women reported receiving Pap smears and mammograms at roughly equal rates regardless of whether they participated in the campaign or not, the campaign's impact appears to have been to increase the rates of HPV and acetic testing and breast self-exams.

KEY INSIGHT:

This study highlights the benefit of looking at client behaviors alongside a control group. Women reported receiving Pap smears and mammograms at roughly equal rates, regardless of whether they participated in the campaign. However, the program's impact appears to lie in increasing the rates of HPV and acetic testing as well as breast self-exams.



Participating Organizations



Global Partnerships (GP) is an impact first investor, pioneering and investing in sustainable social enterprises that deliver high-impact products and services for people living in poverty. Global Partnerships invests in microfinance institutions (MFIs), social business and cooperatives in Latin America, the Caribbean and sub-Saharan Africa.



Alternativa is a non-profit development organization operating in Peru. It works in five core areas: environment and infrastructure development; strengthening democratic institutions; economic development; microfinance; and social development.



Microfinance Opportunities is a global nonprofit organization committed to understanding the financial realities of low-income households and developing consumer-focused solutions. Their work shapes the design and delivery of financial products and services, and enhances the capacity of low-income consumers to make informed financial decisions. In collaboration with a wide range of public and private sector partners, their research and expertise help to increase consumer access to finance in the developing world.

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