

60 Decibels 2021-22 Microfinance Index





1st

The world's first microfinance social performance report grounded in customer voice

72

Microfinance organizations

41

We looked at 41 countries across the globe

25m

Total clients served by the microfinance institutions included in this index

17,956

We heard from 17,965 MFI clients around the world

MFI Index: Under the Hood

37

Survey Questions

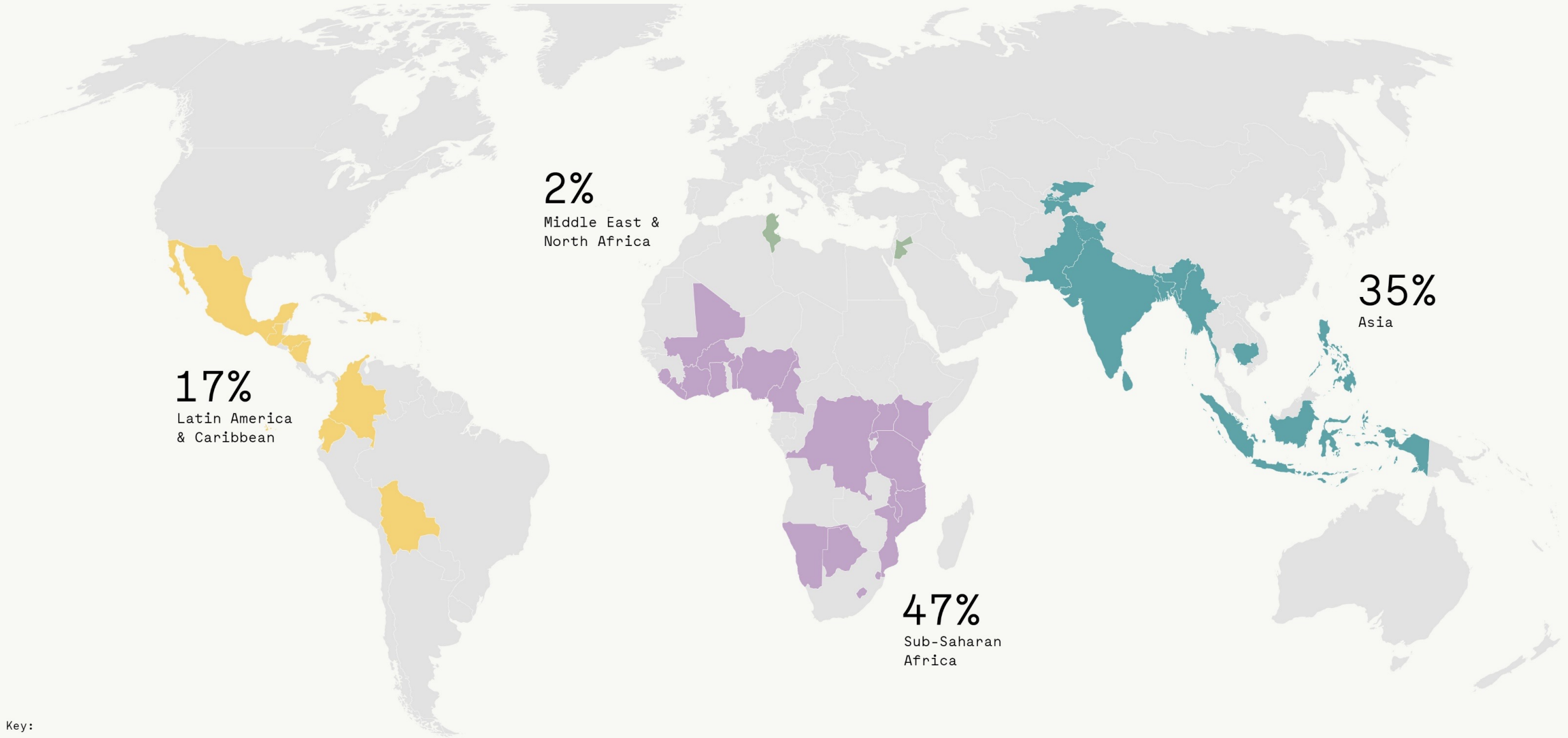
295

Research Assistants

287,000

Est. total minutes of phone interviews

Map of Clients We Spoke to



Key:

- Sub-Saharan Africa (SSA)
- Asia
- Middle East & North Africa (MENA)
- Latin America & Caribbean (LAC)

5

Impact themes

18

Indicators

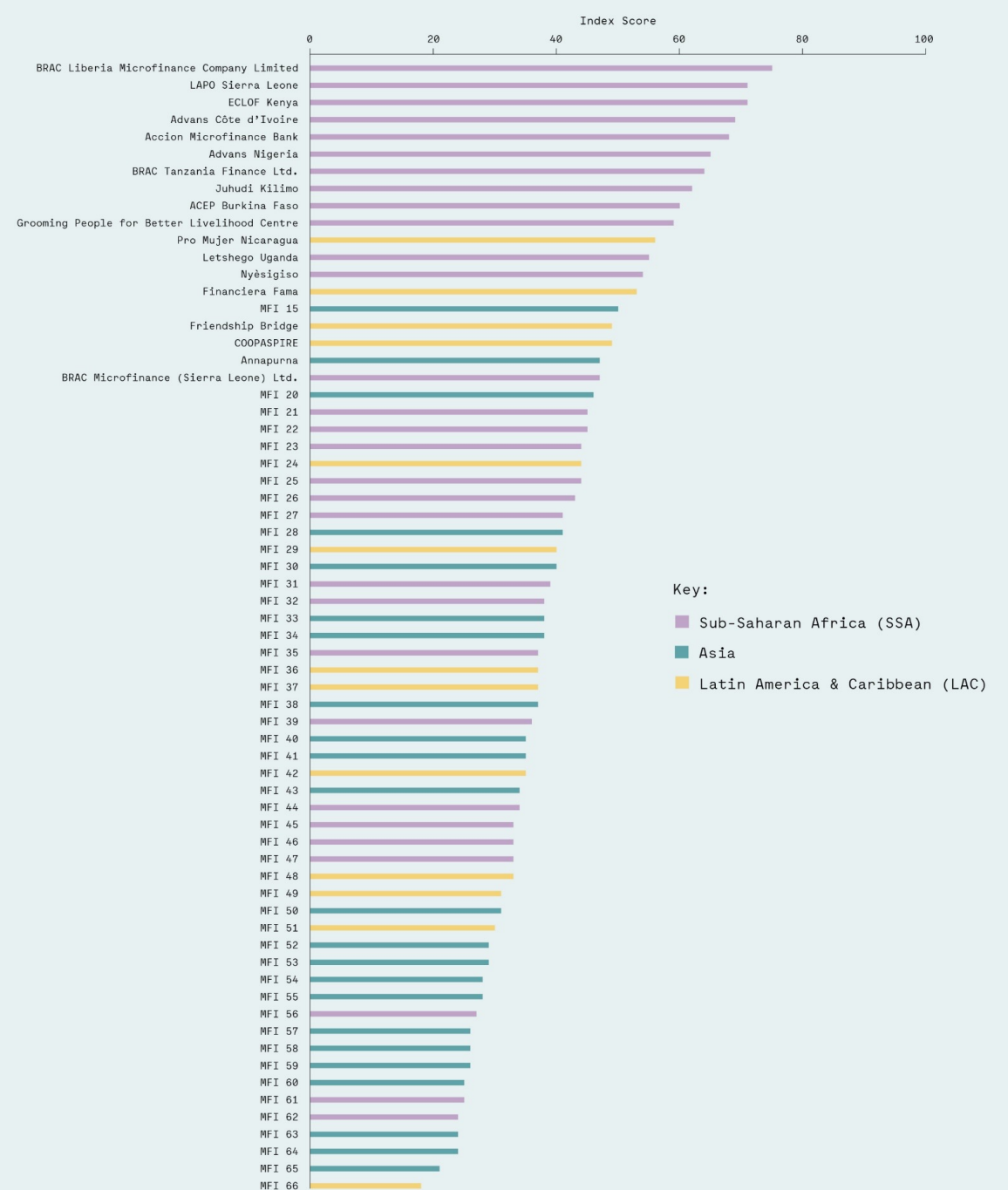
100%

Comparability

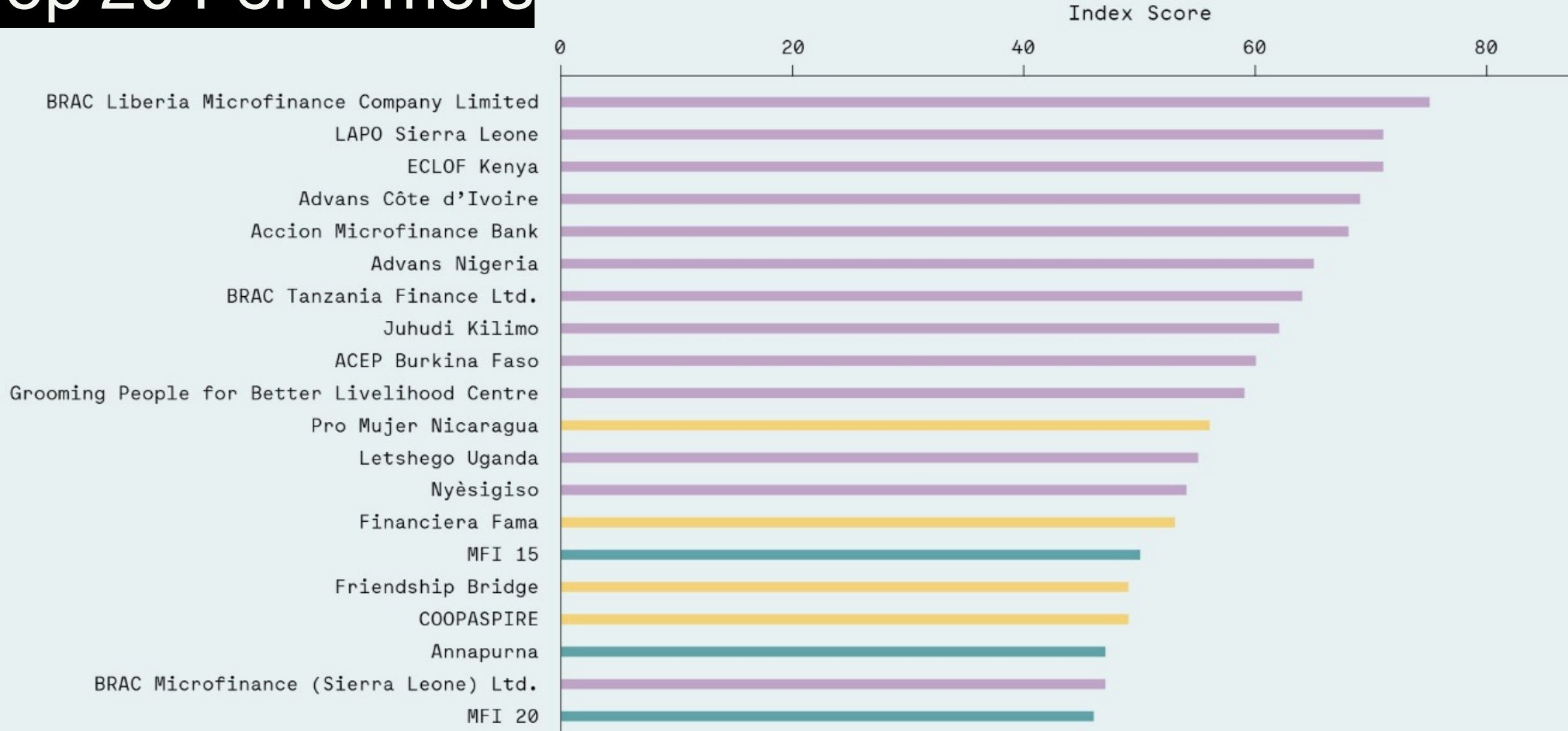
The Dimensions	Indicators
 Access	<ul style="list-style-type: none">> Clients accessing a loan for the first time> Clients without access to good alternatives> Inclusivity Ratio
 Business Impact	<ul style="list-style-type: none">> Very much increased business income> Increased number of paid employees
 Household Impact	<ul style="list-style-type: none">> Very much improved quality of life> Very much increased spending in<ul style="list-style-type: none">• Home improvements• Education• Healthcare• Quality Meals> Very much improved ability to achieve financial goal
 Financial Management	<ul style="list-style-type: none">> Clients who strongly agree they understand all terms & conditions of loan> Very much improved ability to manage finances> Very much improved stress levels> Clients saying their loan repayments are not a burden
 Resilience	<ul style="list-style-type: none">> Clients whose savings balance has very much increased> Clients who have a very much improved resilience because of the MFI> Clients who never reduce food consumption to make repayments

Top Performers

- > MFIs in Sub-Saharan Africa topped the list
- > 4 LatAm MFIs in the top 20; 2 in Asia
- > Wide range of performance (e.g. MFIs from LatAm in spots 9 and 66)

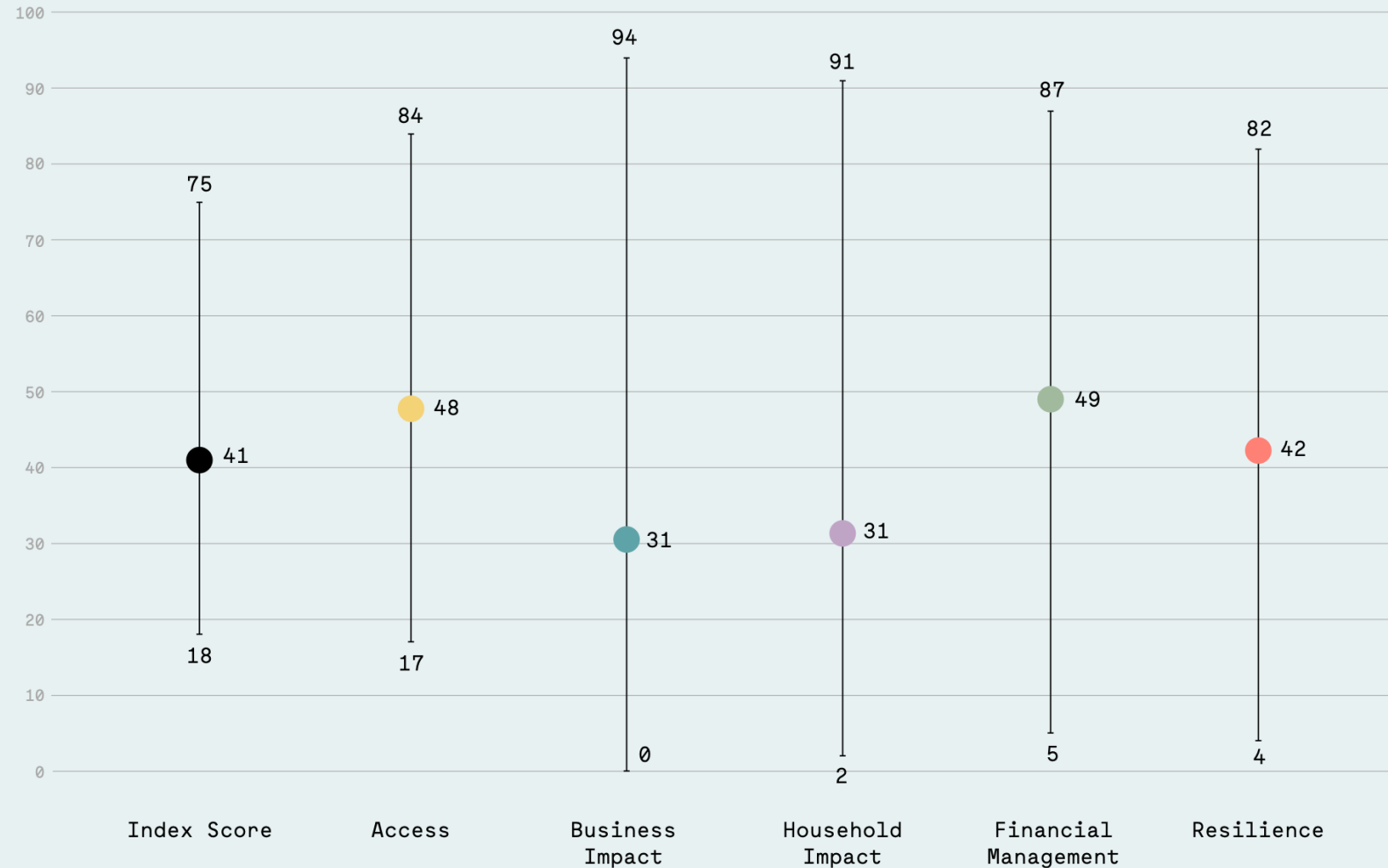


Top 20 Performers



Range of Performance

- > Very broad range for for all indicators
- > Somewhat smaller for Access, largest for Business Impact
- > Business Impact and Household Impact have the lowest total scores

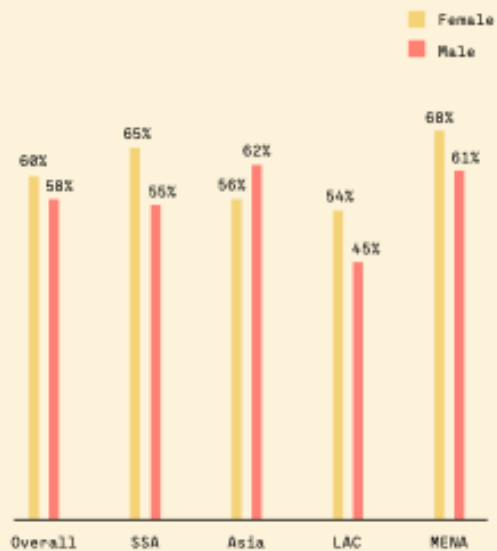


Highlights

Access

1 Microfinance is doing do a good job of reaching people without access to financial services.

Figure 9: First Access to MFI Loan by Gender & Region
(n = 17,601)



2 Group lenders are more likely to reach lower-income clients.

Figure 11: Inclusivity Ratios by MFI Primary Lending Methodology
(n = 12,952)



Business Impact

1 74% used loan for a business purpose. About 1 in 4 say business income has ‘very much increased.’

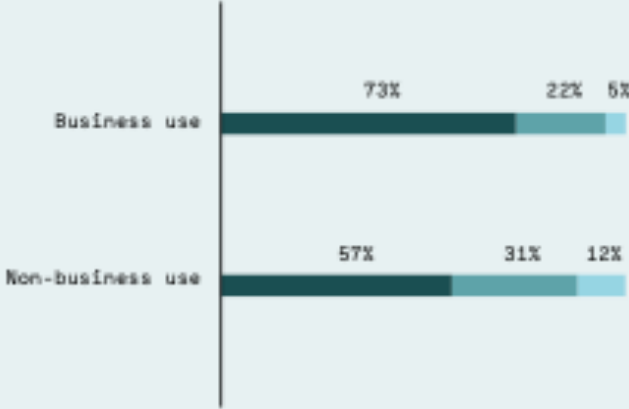
Figure 13: Business Income Changes

For the 74% of clients who used their loan for a business purpose (n = 13,155)



2 Repayment burden is much higher for clients not using loans for business

Figure 17: Loan Repayment Burden by Loan Use
(n = 17,618)

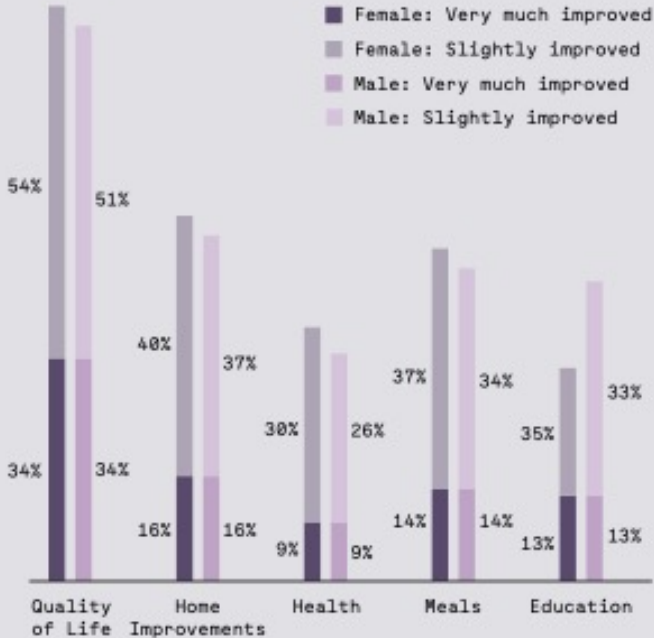


Household Impact

1 1 in 3 say their quality of life is 'very much improved.' Gender differences are small.

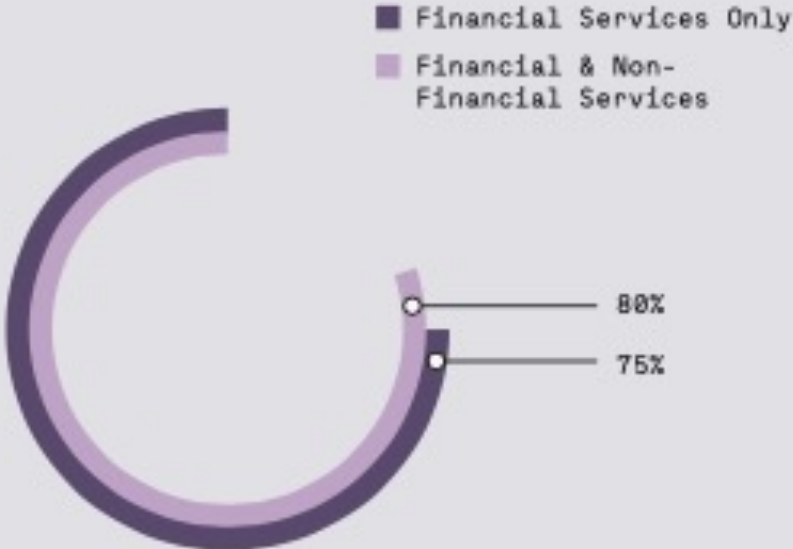
2 4 in 5 say they are better able to reach their financial goals thanks to the MFI

Figure 20: Improved Household Outcomes by Gender
(n = 15,591 to 17,004)



Company Role in Goal Achievement by Services Offered

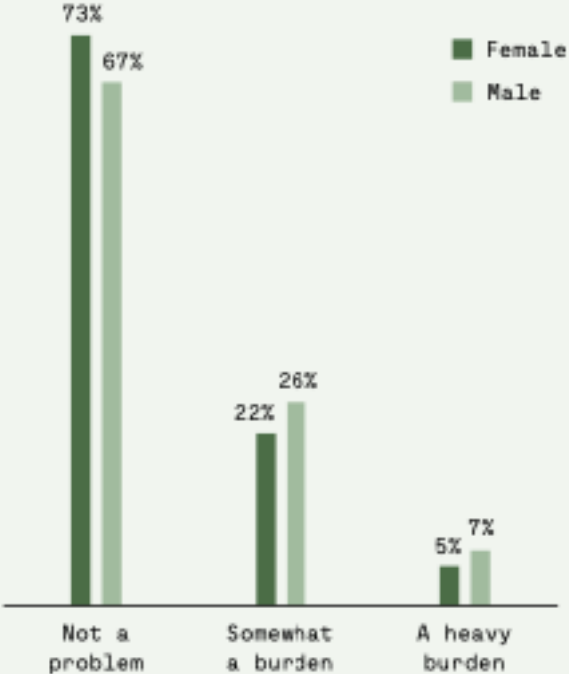
% of clients who are better able to achieve their financial goals because of the MFI (n = 14,373)



Financial Management

1 3 in 4 clients say repayments are not a problem. For 6% they are a heavy burden.

Figure 26: Repayment Burden by Gender
(n = 16,853)



2 More than 60% 'strongly agree' they understand T&Cs. But financial stress has 'very much improved' for <20%

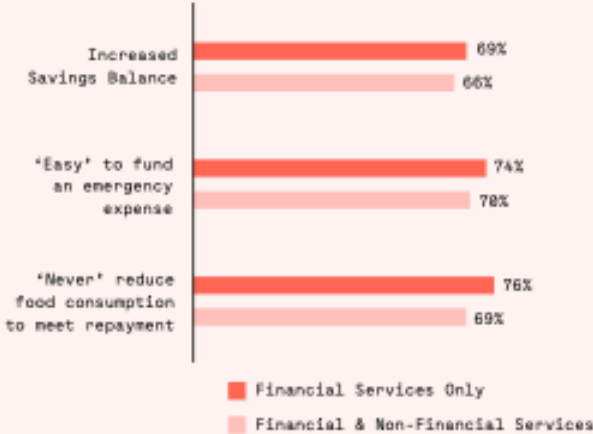
Figure 24: Financial Management Outcomes by Loan Use



Resilience

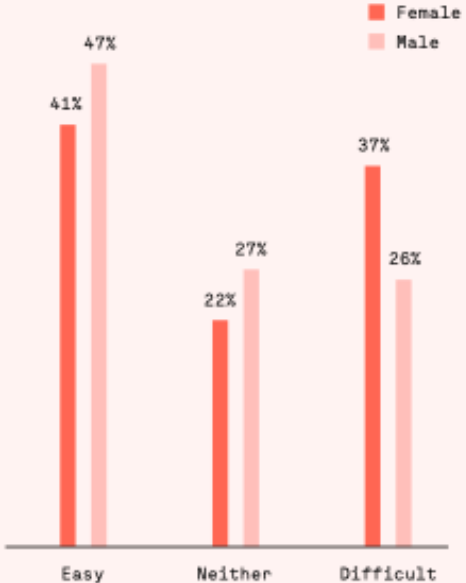
1 About 3/4th of clients show signs of strong financial resilience.

Figure 30: Resilience Outcomes by Services Offered
(n = 14,253 to 14,981)



2 However, fewer than half could easily fund an emergency expense

Figure 32: Ease of funding an emergency expense by gender
(n = 14,540)



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