

Encinitas Rotary Local Microfinance Project (P-149) (November 2012 - April 2013)

FINAL REPORT

Project Description

Encinitas Rotary Local Microcredit Project (For clients within District 5340)

Country: USA

Location: San Diego County

Total Budget: \$6,000

Area of Focus: Economic and Community Development

Activity Type: Community Development: General

Summary: Business training for ten low-income minority mothers (includes a \$250 microloan)

Narrative:

Now completed, a \$6,000 microfinance project was funded with \$3,000 from the Encinitas Rotary Club and a \$3,000 District match. The project created a supportive environment in which seven low-income minority mothers can come together to share, learn and acquire the skills needed for starting a realistic business. The main thrust of the project was group training - giving clients the necessary skills over time to create a business plan and eventually approach a standard lending institution for a business loan. The group of mothers met weekly for Business training in areas such as financial literacy, basic budgeting, product development and market research and communication - including help with designing marketing and promotion materials, and bringing a product to market. The home-based businesses started by the mothers were mostly in the area of handicrafts and jewelry and house cleaning. Training sessions were lead by professional staff and volunteers. A major side benefit was the social interaction that created a support network leading to greater confidence and empowerment for the participants. Each client received an initial loan of \$250, which has now been paid back with interests. The loan was small, and mainly intended as a "practice loan" to build credit history and acts as a learning tool for the clients, enabling them to experience the process of having a real loan that needs to be handled responsibly - in the same way as the traditional bank loan they would have to manage in the future. Plans are to continue regular meetings through May as preparation for the next loan cycle, which would start in June. The success of the program has generated significant interest, leading to expansion plans that could see new North County groups starting in Encinitas and Escondido.