

Date: 05-28-20

Project Title:

Poverty Alleviation/Microlend

Project Summary:

Financial and other assistance to Grameen America, a nonprofit microfinance organization that provides small loans, training and support to low-income women to help them build businesses, achieve higher family incomes and revitalize their communities.

Proposed Project: Financial assistance to Grameen America, a 501(c)(3) charitable organization

RI Area of Focus: Economic and Community Development (Primary)
Basic Education & Literacy (Secondary)

Sub-Focus: Microfinance and Community Development

RI's commitment to this area of focus is highlighted by its sanctioning of the Rotarian Action Group for Microfinance and Community Development.

See associated websites: <https://www.rotary.org/en/our-causes/growing-local-economies> and <https://my.rotary.org/en/take-action/empower-leaders/join-rotarian-action-group>.

About Grameen:

Grameen America is the fastest growing nonprofit microfinance organization in the United States with a proven national solution to advance financial inclusion for women. It provides small loans, training and support to low-income women to help them build businesses, achieve higher family incomes and revitalize their communities.

Grameen America provides microloans (starting at \$500), financial training and support to members. As part of its program, members open free savings accounts with commercial banks and make weekly deposits. It also reports microloan repayments to Experian and Equifax, enabling our members to build their financial identity.

Grameen's target population is women who live below the federal poverty line for whom the mainstream financial system is currently out of reach. Its members are women who previously had few options for accessing capital and most lacked bank accounts and credit scores.

Description of Completed Project:

The Rotary Club of Eastchester (RCE) has provide financial assistance to Grameen with the following restrictions:

- Funds must be used for Grameen's pool of capital that is loaned out for economic development and cannot be used for operations.
- Funds must be used for loans within Westchester and thereby will remain in District 7230.
 - Grameen expanded into Westchester recently (2019) and has already given loans to 171 women in Yonkers and New Rochelle.
 - The most common business categories are clothing, cosmetic services, food & beverage, and salon services.
 - Grameen's Bronx branch services Westchester.

In addition to funding Grameen with a financial donation, RCE and its members have engaged with this project in the following ways:

- Grameen America's Development Manager, Petra Nelson, presented at an RCE meeting on September 25, 2019. Ms. Nelson is also a member of the Rotaract Club of New York at the United Nations. She described how Grameen helps its constituents and the resources it makes available to help lift women out of poverty.
- RCE has used its Club Bulletins, and social media sites, to highlight its involvement with Grameen and to educate the community about the resources available through Grameen.
- Through Grameen, RCE has extended an invitation to the women helped by its assistance to Grameen to attend RCE meetings periodically to discuss how Grameen is helping them. RCE will provide these women the opportunity to introduce their businesses to the Club and to develop their professional networks.
- RCE has contacted the Rotary Means Business Fellowship and received an invitation for the women helped by its assistance to Grameen to attend RMB meetings. This will provide these women an opportunity to introduce their businesses to RMB and to develop their professional networks.

Number people benefiting from project:

RCE expects its funding plus the requested District matching grant will directly benefit up to 20 women per year, based on Grameen's minimum initial loan size (\$500) and six-month loan term (e.g., 10 women will be helped every 6 months).

However, since the funds will be used for economic development, RCE expects that the impact of this project will be greatly multiplied as the families of the women helped are lifted out of poverty, jobs are created, and the local economy is stimulated.

It is also important to note that Grameen's lending model has achieved a 99.8% repayment rate, and loans are re-paid with interest. That means that almost all of the proposed funding of this project will remain in Grameen's pool of capital and will be loaned out over and over again. Unlike many other projects, the funds committed to this project will not be exhausted and represents an (almost) perpetual gift.

Project Completion Date:

RCE has completed this project However, RCE will continue to engage with Grameen as described above.

Summary

RCE believes that its financial assistance to Grameen is consistent with RI's Areas of Focus, provides for poverty alleviation and sustainable economic development, and will continue to lift women and families out of poverty for many years as RCE's initial donation is loaned out again and again.