

# LENDING & SAVINGS: BUILDING WEALTH IN LOW-INCOME GUATEMALAN HOUSEHOLDS



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**M**y true Burch experience started in the summer of 2010 when I piloted a small microfinance initiative, El Fondo de Apoyo Comunitario Internacional (FAC: “The Community Empowerment Fund International”) in Guatemala City.

I have always loved working with people and have been fascinated by business models designed to support the poor—microfinance is a perfect intersection between the two.

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This past summer I was committed to enhancing this work and exploring my new found passion of microfinance by not only returning to Guatemala and starting a Savings arm of FAC, but



by also working with and learning through other development programs, models, and theories.

My summer experience got off to a start in Bogota, Colombia, my hometown I hadn’t returned to in 15 years. In addition to exploring my heritage and roots, while in Bogota I interned with Credifamilia, a startup, for profit bank that provides mortgage loans to low-income households. At Credifamilia I developed a Consumer Protection and Service Plan in accordance with Colombian banking law. I shadowed organizational departments from application intake at a client’s home, to loan underwriting by risk management, to the final decision at the loan committee meeting. Seeing the process full circle opened my eyes to industry technology, underwriting standards, finance campaigns, and much more. Having seen firsthand how for-profit microfinance works solidifies the fact I could never work in this area where the numbers and loan goals are seemingly more important than people, but I took every piece of learning for implementation in Guatemala.

Following my three week training with Credifamilia

in Colombia I was ready to hit the ground running to more responsibly structure, expand, and amplify the work of FAC. This time around in Guatemala, I was especially interested in working

with other, more established microfinance groups to continue understanding the development of this country. Through an internship with the Guatemalan

Ministry of Finance in the National Council for Micro, Small, and Medium Enterprise Development I had access to a team of microfinance experts that not only taught me, but helped me develop the FAC program. Lawyers who specialized in microfinance law helped incorporate and legalize the



FAC program, professional workshop trainers taught local FAC staff and myself how to better facilitate workshops with low income and illiterate populations. Working with the ministry provided

me with an opportunity to shadow and visit other microfinance groups around the entire country in both urban and rural settings with large and small organizations, thus allowing me to explore alternative microfinance programs and models.

During my internship with the Ministry of Finance, I was simultaneously piloting the FAC Savings Program and incorporated what I learned at the ministry and Credifamilia in Colombia. After first evaluating FAC’s loan program and ensuring



this new Savings Program was a product demanded and deemed useful by the community, I was joined in Guatemala by two fellow UNC students, Caleb and Chris, without whom I could not have gotten the Savings Program off the ground. As a naturally independent person, this summer challenged my skills to effectively lead and facilitate a team. After legally setting up the program and account infrastructure, holding several interest groups, developing a series of financial literacy workshops, I am proud to say the Savings Program was piloted. To date 20 women have saved over \$2,500, and continue to save on a weekly basis.

While this summer turned out to be more challenging than I could have prepared for working across cultural norms, expectations, communication styles, and privilege differences, it was by far the most productive, educational, and fulfilling three months of my life. My team and I met every single goal set for the summer, and more: I set up the program, built sustainable partnerships, and had my beliefs, rationale for service, and values



challenged and changed. I am leaving this experience with a myriad of new knowledge. I grew to be a more confident person and microfinance practitioner, which will aid me in my future career in financial empowerment and asset development.