

Microcredit & kiva

Today you won't just read about business. You and your partners will actually **be** businesspeople. You will make decisions and take actions that will help entrepreneurs in developing countries.

You will become a **microcredit** lender.

Micro-credit

"Microcredit" means very small loans. They are made to people, usually in poor countries, to help them start or expand a business. The most famous microcredit bank is Grameen Bank in Bangladesh. It is now in India, too. It started in 1974 with a loan of US\$27 to 42 families. It helped the families make and sell small items. It helped them start their own businesses.

Grameen Bank has grown. Now there are over 2500 branches. It has loaned over US\$ 6,500,000,000. The loans go to very poor people. 97% of these loans go to women. Do the loans get repaid? 98.35% do! In 2006 Grameen Bank and its founder, Muhammad Yunus, won the Nobel Peace Prize. There are now similar programs in many countries.

How much is that in your country's money?
Check: xe.com



Kiva is an organization in the USA. It makes it possible for regular people to provide microloans. Go to **kiva.org**. Scroll down until you see "How it works." Read it. Talk about what it means with a partner.

Now make a group of 2-4. You will have \$25 to lend.

Click on **Lend** (top left). In your group, look at the **categories**. Do you understand the meaning? If you don't, click on it. You will see the meaning and some examples.

Discuss: What category to you want to lend to? Are there any categories you don't want to lend to?

Now read about the people asking for loans. As a group, decide on your top 3.

Name: _____ Country: _____
Total loan: \$ _____ (your group only loans \$25 of that)
Purpose: _____

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Read the requests again. Write 1-2 reasons you think this is a good loan to make. Write next to the boxes.

Decide **1** that your group will loan money to.

Who will you make a loan to? Why?

Write your reason: _____

When you decide, write the group name on the white board. Let's limit our loans to one to a person/group.

Make the loan.

Sign in (top right):

email: (we'll use a class email here)

Password: (your teacher will tell you).

Make the loan. Follow the instructions on-line.

Congratulations. You've just helped an entrepreneur or other person. And you've made the kind of decisions you'll need to make as a businessperson.

We'll check back later to see:

- how quickly we are getting paid back.
- if there are messages from the group you loaned to.
- check on the progress and statistics for our class' loan.

For more about Grameen bank, see:

https://simple.wikipedia.org/wiki/Grameen_Bank

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