

Findings from the social impact assessment of the BJS microfinance program in Kolkata, India

Prepared for:

Bankers Without Borders

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February 15, 2012

Table of Contents

Executive Summary	3
Background	5
1. Project Description and Objectives	5
2. Project Implementation	6
2.1 Instrument selection and adaptation	6
2.2 Evaluation Design	6
2.3 Sampling	7
2.4 Training, data collection and data entry	7
3. Findings	8
3.1 Survey Findings in detail	8
3.1.1 Socio-demographics	8
3.1.2 Use of BJS loan	10
3.1.3 Changes in household income related to program participation	11
3.1.4 Changes in household assets related to program participation	13
3.1.5 Changes in household welfare related to program participation	13
3.1.6 Changes in household diet	14
3.1.7 Changes in enterprise management practices	16
3.1.8 Changes in enterprise asset investment practices	19
4. Client satisfaction	20

Executive Summary

Belghoria Janakalyan Samity (BJS) is a microfinance institution (MFI) based in India whose mission is to improve the lives of poor women in West Bengal through small loans to engage in income-generating activities. In 2011, BJS reached out to Bankers Without Borders (BWB) seeking assistance with the development and implementation of a survey to assess the social impact of their loans. BWB engaged Dr. Marcela Gutierrez, an independent evaluation consultant based in the United States, to work on this project. Dr. Shannon Mudd, Economics Professor at Haverford College and Ms. Yolanda Shao, assisted Dr. Gutierrez in the final analysis of survey results.

During a five day visit to Kolkata, Dr. Gutierrez worked with BJS and a consultant from ACCESS to adapt and revise the Small Enterprise Education and Promotion (SEEP) Network survey, a tool designed to measure social impact, to meet the needs of the MFI. The resulting 24 item survey was tested in the field and translated into Bengali. Due to time and cost constraints, the most appropriate design to use in this case was a quasi-experimental cross-sectional design using non-random control and experimental groups. The control group consisted of women who had just applied for their first BJS loan, and two experimental groups included women who had just paid off their first and second loans. The final sample size totaled 414 clients with 138 clients in each group. The sample was stratified to reflect the different client loads across BJS branches. BJS main branch staff trained local branch personnel on sampling and survey administration issues. Surveys were administered in person by BJS loan officers in each of the branches over a 45 day period in September and October 2011.

The survey analysis looked for differences between clients who had completed a loan and those who were new members but who had not, yet, received a loan. Because clients were not randomly assigned to each group, differences in the results across the groups cannot be solely attributed to participation in the program. However, significant differences were identified that suggest potential areas of social impact from participation in the BJS loan program.

In terms of results, there were no categories in which the existing clients fared worse than new clients. So, at the least, there is no evidence that loans have harmed clients who have completed their first or second loan. In fact there are some important positive results (significant at, at least, the 90% level):

- **Household Income:** Compared to new clients, existing clients who had completed either their first or their second loan were more likely to report increased income.
- **Household Assets:** Compared to new clients, both groups of existing clients have significantly more
 - Medium-valued assets (i.e. more than 5,000 but less than 50,000 Rupees)

- **Household welfare:**
 - The percentage of those reporting their diet improved is higher among those clients completing their 1st loan and 2nd loan than that among new members
 - Existing clients who reported diet improvements over the past year were more likely to cite More Animal/Dairy products than new clients
 - There were significantly more 1st and 2nd loan clients (i.e., 74% combined) who made home improvements over 5,000 Rps over the past two years compared to new members (i.e., 26%)

- **Enterprise Activity:**
 - 2nd loan clients are more likely to invest in their enterprise to expand compared to new clients
 - 2nd loan clients are more likely to expand into new markets compared to 1st loan clients

- **Enterprise Investments**
 - 2nd loan clients are more likely to invest in small tools/equipment than new clients
 - 2nd and 1st loan clients are more likely to invest in major tools/equipment as well as storage structures than new clients
 - 1st loan recipients are more likely to invest in new transport than new clients

- **Management:** Compared to new clients, existing clients, both 1st and 2nd loan borrowers, are more likely to
 - Keep their personal and business money separate
 - Operate their business activity in a separate space from their home
 - Maintain storage or manufacturing space separate from their home

Background

Belghoria Janakalyan Samity (BJS) is a microfinance institution (MFI) based in India which aims to empower poor women and improve their economic condition by providing them with small loans for income generating activities. BJS is now in the fifth year of its operation and works in two districts of West Bengal through ten branches covering more than 23,000 clients. While its present loan portfolio stands at an estimated INR 46 million and the client base is almost 10,000, BJS has been challenged to show the social impact of its microfinance program due to limited tools and institutional know-how. Client satisfaction surveys have provided limited input about how client friendly BJS's processes are. In the absence of accurate social impact assessment, BJS cannot ascertain the extent to which its vision has been achieved. Moreover, there is also a chance that the unserved or underserved population may remain untouched under this program.

In April 2011, Bankers Without Borders (BWB) engaged Dr. Marcela Gutierrez, a professional independent evaluator, to assist BJS with its evaluation needs. Dr. Gutierrez partnered with Dr. Shannon Mudd, professor of Economics at Haverford College and Yolanda Shao, a student research assistant, to accomplish the goals of the project. Dr. Gutierrez also collaborated with Sharada Ramanathan of BWB, Sudipto Saha of ACCESS, and Bishwajit Das, Chief Executive Officer of BJS. BJS also offered staff support from Rituparna Biswas to conduct survey training and data entry.

1. Project Description and Objectives

BWB established the following project aims to evaluate the social and economic impact that the BJS microloans program has on its client's lives:

- Developing a hypothesis to be tested post discussion with MFI;
- Reviewing literature on poverty indicators in India and existing social impact assessment tools; and assessing available information at the MFI to determine the most suitable indicators to be used to measure the social impact of the microfinance program. The indicators could include demographic characteristics, quality of housing, wealth, education level etc.
- Selecting an evaluation design suitable to answering the evaluation questions
- Identifying, adapting and testing an existing social impact assessment tool and associated questionnaire to develop a new tool and questionnaire for testing. The questionnaire needs to be designed such that it can be asked openly, is practical, reliable, direct, easy to answer and time-efficient.
- Developing the sampling methodology and determining the most suitable geographic locations for testing
- Training BJS staff on sampling and data collection tasks
- Developing an Excel data template for data entry by BJS staff
- Analyzing data from the survey forms
- Preparing report with findings from the social impact assessment

2. Project Implementation

2.1 Instrument selection and adaptation

Through a review of the literature on social impact assessment tools used in micro finance projects, Dr. Gutierrez identified the “Learning from Clients: Assessment Tools for Micro Finance Practitioners” manual edited by Candance Nelson of the Small Enterprise Education and Promotion (SEEP) Network. The tool was developed to be an easy to use, adaptable group of questionnaires that people could use to assess different aspects of the impact of microfinance programs on their clients.

In August of 2011, Dr. Gutierrez spent a week in Kolkata, India, BJS’s home base, to work with BJS Chief Executive Officer, Mr. Bishwajit Das and ACCESS representative, Sudipto Saha to adapt the SEEP tool to the MFI’s needs and pilot the new tool with BJS clients. Using the original SEEP instrument, the workgroup selected the hypotheses that were most relevant to their program. The group agreed that the instrument would focus on adapting the Impact Survey (pg. 1-11) rather than on the other tools available, and within the Impact Survey, it would only focus on impact at the household and enterprise levels, and it would exclude the individual and community level impacts.

Hypotheses at the household level:

- Program participation leads to increases in household income
- Program participations leads to increases in household assets
- Program participation leads to increases in household welfare (education, nutrition, food security)
- Program participation leads to increases in ability to manage emergency situations

Hypotheses at enterprise level:

- Program participation increases enterprise income
- Program participation leads to changes in business practices associated with increased profitability
- Program participation increases enterprise assets over a period of years

Once the evaluation areas had been agreed upon, the team selected the most appropriate questions and revised the answer choices to reflect the local environment in West Bengal. BJS Executive Director and ACCESS representative translated the original English version of the questionnaire into Bengali. The final version was piloted by Dr. Gutierrez and Mr. Das with three clients of one of BJS’s branch offices. The minor revisions that resulted from the piloting were incorporated into the final survey form (See Appendix A).

2.2 Evaluation Design

The workgroup agreed that a quasi-experimental cross-sectional design using non-random control and experimental groups would be the most appropriate one for the purpose of this evaluation. A random assignment design was ruled out due to ethical and timing issues. Because of the wide spread availability of micro loans from multiple MFIs in the West Bengal area, it would have been very difficult to find a group of clients comparable to BJS’ clients who were

not receiving loans from someone else. Also, the logistics of obtaining data from non-BJS clients would have added cost and time to the evaluation. In the end, the team decided the best design choice was to use as a control group women who were applying for BJS loans for the first time (e.g., new members), but had not yet received the loan and who had no other loans from any other MFIs. The experimental groups were made up of a cohort of women who had finished paying their first loan and a second cohort of women who had paid off their second loan.

2.3 Sampling

The final sample size for the evaluation was calculated using a sample size calculator. BJS client population was rounded up to 11,000 clients in all 10 branches. Using a 95% confidence level and a 5 confidence interval the final sample size was 371. The sample size was rounded up to 414 to allow for loss of data during the study. Because the number of clients served varies greatly by branch, the sample was stratified based on the proportion of borrowers from each branch relative to the total number of BJS borrowers. For example, the Bashirhat branch contributes 16% of all BJS borrowers (i.e., 1864/11756). Thus, Bashirhat contributed 16% or 66 borrowers to the total sample. The total allotted to each branch was divided into thirds to come up with the total number of new members and borrowers to include in the study. Table 1 shows the proportional sample size each branch contributed to the experimental (i.e., new members) and control groups (1st and 2nd loan clients).

Table 1

PROPOSTION OF SURVEYS ALLOCATED TO EACH BRANCH												
Name of Branch.	Bashirt	Taki	Baduria	Laximipur	Dhugguri	Falakata	Chandpara	Mynaguri	Madarihath	Alipurduar	Total	
Groups	142	33	73	120	129	123	63	93	30	77	883	
Member	2066	422	1138	1343	2020	1968	809	1341	423	1034	12564	
Borrowers	1864	376	1040	1212	1961	1866	741	1312	412	972	11756	
% of Borrowers	16%	3%	9%	10%	17%	16%	6%	11%	4%	8%	100%	
No. of Interview	Non Client	22	4	12	14	23	22	9	16	5	11	139
	1 year Client	22	4	12	14	23	22	9	16	5	11	139
	2 Year Client	22	4	12	14	23	22	9	16	5	11	139
Total:	66	12	36	42	69	66	27	48	15	33	414	

Once the final number of new members and 1st and 2nd time borrowers was calculated, BJS staff obtained complete and up to date client lists and randomly selected names for each group (See Appendix B for complete sampling instructions). Because the loans are offered to groups of women, individuals for the study were randomly selected from the groups.

2.4 Training, data collection and data entry

Due to cost, logistics and time requirements, the evaluation team decided to have BJS loan officers interview clients face-to-face to administer the survey forms, which took approximately

45 minutes for each survey form to complete. To minimize bias, loan officers were not allowed to interview their own clients.

Dr. Gutierrez then developed a training guide for the interviewers (See Appendix C). Staff from BJS main office in Kolkata conducted the training in person, and assisted in the random selection of clients for the study. When the training was completed, each branch was allowed 45 days to complete their quota of survey forms. The branch manager reviewed each survey form for completion and errors before it was sent to the main office for data entry. A final data cleaning was done by BJS main office, and entered into an Excel template prepared by Dr. Mudd, Ms. Shao, and Dr. Gutierrez. A total of 414 survey forms were completed and analyzed using the STATA statistical analysis program.

3. Findings

The analysis sought to identify differences between clients who had completed a loan and those who were new members but who had not, yet, received a loan. This latter group of new clients served as a benchmark for comparison. Because clients were not randomly assigned to each group, we cannot attribute differences in the results across the groups solely to participation in the program. Other, unobserved, factors may also play a role. However, any observed differences between borrowers and non-borrowers indicate impacts that may well be the result of BJS loans.

To establish confidence that resulting differences may be attributed to the loans themselves, we test for potential differences among new and old members that might account for different outcomes. The fact that there are few differences among the client groups is encouraging. While the group completing their second loan is slightly older on average (significant at the 99% level of confidence) and has a slightly higher average size of household (significant at the 90% level of confidence) there is no significant difference among groups in marital status or years of education. All households have at least one member working.¹

3.1 Survey Findings in detail

3.1.1 Socio-demographics

Each study group contributed 138 clients for a total of 414 clients in the study. The average number of months in the program ranged from 1.9 for new members to 23.7 for 2nd loan borrowers (See Table 2)

Table 2

Client loan status	Average Number of Months in Program, by client group
New Members (138)	1.9
1 st loan (138)	12.7
2 nd loan (138)	23.7

Loan size in Rupees was highest for new members and lowest for 2nd loan borrowers (See Table 3)

¹ All discussion of significance refers to t tests of differences in means by group.

Table 3

Client loan status	Loan size in Rupees
New Members (138)	7,791
1 st loan (138)	7,543
2 nd loan (138)	5,841

The average age for all clients in the sample was 32. Clients who have completed their 2nd loan are slightly older than new clients and clients who have just completed their 1st loan (See Table 4). This difference in average age is significant at the 99% level of confidence using a t test of the difference in means.

Table 4

Client loan status	Client's age
New Members (134)	30.5
1 st loan (131)	31.8
2 nd loan (132)	34.4*

Ninety eight percent (98%) of all women in the sample were married, and the average number of years in school was 6.4. Clients who have completed the 2nd loan have, on average, a slightly higher number of people in their household compared to new and 1st loan clients (i.e., 4.5 compared to 4.2 for each of the other two groups; significant at the 90% level of confidence). The average number of adults in the sample was 2.8 for the entire group, and the average number of children was 1.5. The slight variations across groups are not significantly different (See Table 5 and 6).

Table 5

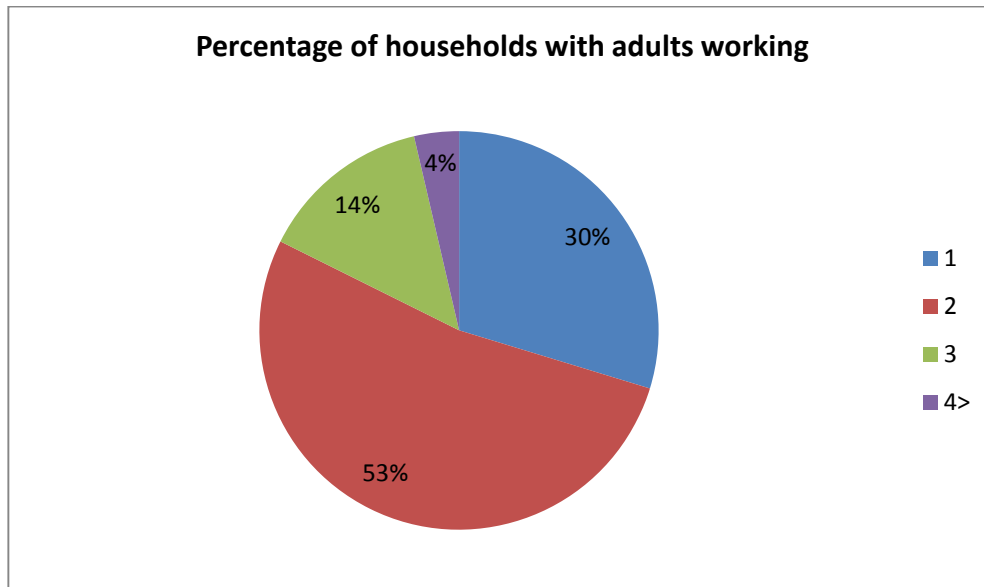
Avg # adults	Average	Std Dev	Min	Max
All Members (414)	2.8	1.1	1	9
New Members (138)	2.7	1.0	1	7
Completed 1 st Loan (138)	2.8	1.1	2	6
Completed 2 nd Loan (138)	2.9	1.2	2	9

Table 6

Avg # children	Average	Std Dev	Min	Max
All Members (414)	1.5	1.0	0	5
New Members (138)	1.5	1.0	0	5
Completed 1 st Loan (138)	1.4	0.98	0	5
Completed 2 nd Loan (138)	1.6	1.1	0	5

All households have at least one member working and 53% have 2 adults working (See Fig.1)

Figure 1



An interesting finding is that new members' households are more likely to be lead by males (significant at the 95% level of significance) and less likely to be husband/wife team (significant at the 95% level of confidence, See Table 7). If the higher number of households with shared Head of Household duties among loan recipients represents a change from pre-loan levels, this could indicate increased female empowerment.

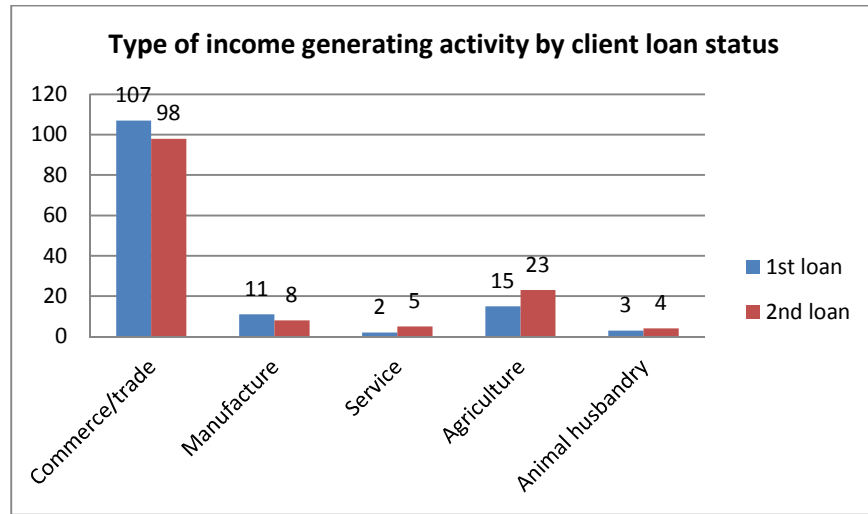
Table 7

Head of Household	New members	1st loan	2nd loan
Self (female)	7	7	4
Male relative	34*	23	24
Female relative	2	2	0
Husband / Wife	95*	106	110
Total	138	138	138

3.1.2 Use of BJS loan

When clients in their 1st or 2nd loan cycle were asked how they used the BJS loan, 100% said they used it for an income-generating activity. A majority of 1st and 2nd loan clients engaged in commerce and trade as their income generating activity (See Fig. 2). There was a slightly significant difference (at the 90% confidence level) between the number of 1st and 2nd loan recipients engaging in agriculture.

Figure 2

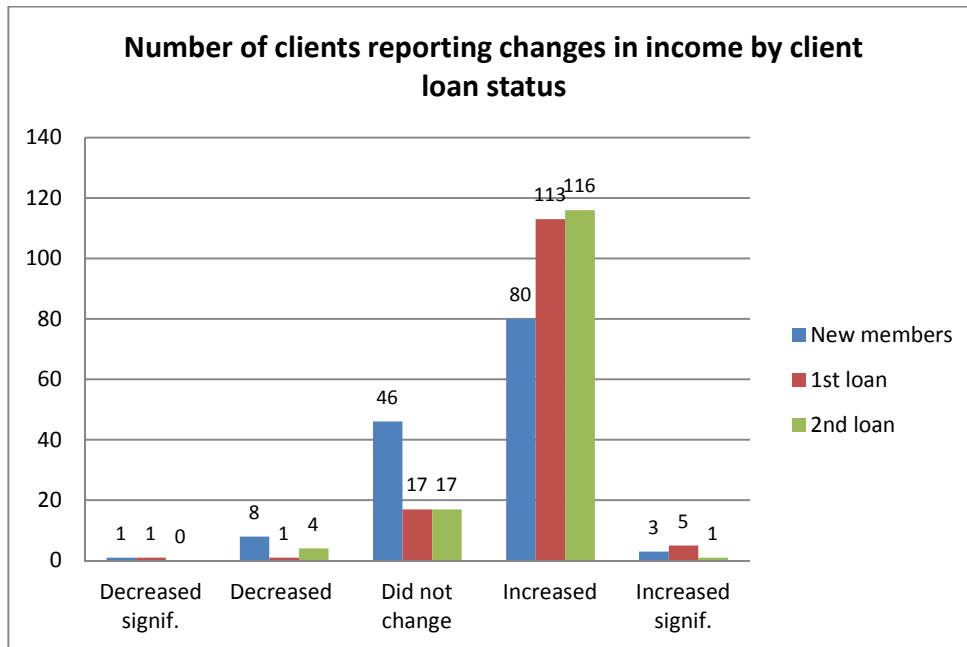


In contrast to existing clients, only 68% of new members who had not yet received a loan and who had no other loans reported engaging in an income-generating activity in the month prior to the survey.

3.1.3 Changes in household income related to program participation

New members and existing clients were asked if they had experienced changes in income during the past year. Most respondents reported their income had increased, however the numbers were significantly higher for existing clients (significant at 99% level) (i.e., 80 new members, 113 1st loan and 116 2nd loan clients) (See Fig. 3).

Figure 3



To better examine the differences across groups we collapsed the answers into two new variables: “Positive change” included those who said their income increased or increased a lot, and “Negative change” included those whose income had not changed – for us a negative outcome – or had decreased. We then test whether there is a difference in the mean number of respondents who report positive vs negative changes in income.

In this case, the mean level of respondents who report income among 1st loan clients is significantly higher than the mean level of respondents who are new members at the 99% level of significance. And, the mean level of respondents who report higher income among 2nd loan clients is significantly higher than the mean level of respondents who are new members at the 99% level of confidence (See Table 8).

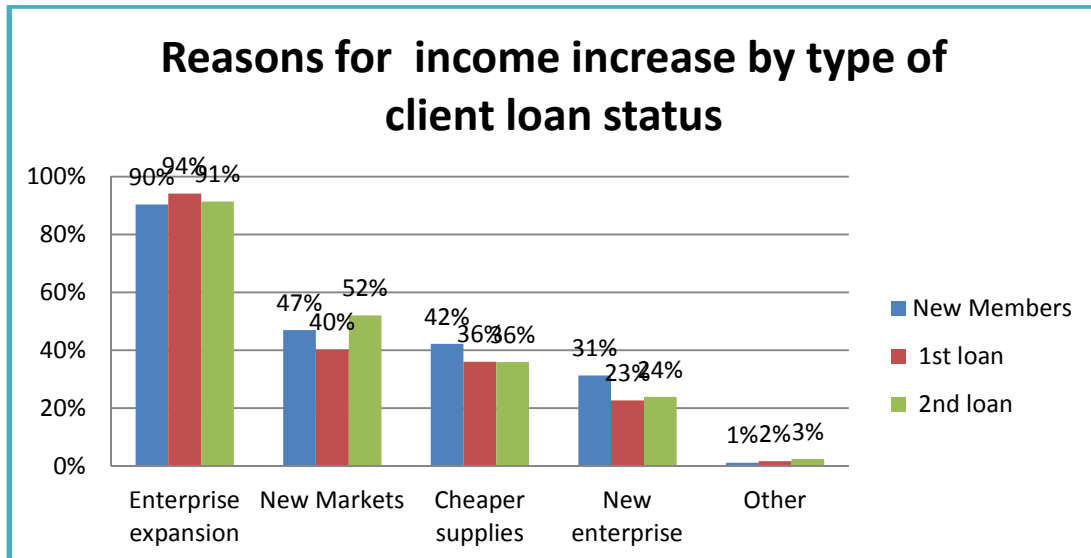
Table 8

HH Reporting Income increase or increase a lot (138 reporting for each group)	# HH	% HH
All	318	76.8
New Members	83	60.1
Completed 1 st Loan	118*	86.1
Completed 2 nd Loan	117*	84.8

The numbers of clients who reported the reasons why their incomes decreased was too small to allow for meaningful comparisons across group. However, the most common reason given by those clients was poor sales.

Among those who said their income had increased, the majority, regardless of whether they were new or existing clients, reported the reason was the expansion of their enterprise, followed by finding new markets for their products, and obtaining cheaper supplies (Note: multiple answers were possible). However, any differences across the groups were not statistically significant. (See Fig. 4).

Figure 4



New members N=83

1st loan N=119

2nd loan N=117

3.1.4 Changes in household assets related to program participation

All clients were asked about the household assets they owned at the time of the survey (See Table 9). The survey analysis showed that 1st and 2nd loan recipients combined have more of all medium value household assets than new members at the 99% level of significance. Existing clients also have more stoves than new clients (significant at the 99 % level). These results could indicate that existing clients were wealthier before they joined BJS.

Table 9

Value	Small <5,000 Rs			Medium 5,000 to 50,000 Rs					Large >50,000 Rs	
	Furniture	Radio	other	Bed	Bike	TV	Stove	Other	Motorcycle	Other
All (360)	81.9	24.9	12.1	83.8	76.6	51.2	27.8	11.2	8	1.2
New Members (94)	79.7	26.1	10.9	81.1	71.7	51.4	19.7	7.2	8	0
1 st Loan (137)	84.8	20.3	13*	86.2*	73.1*	50.7*	32.6*	9.6*	8	2.2
2 nd Loan (138)	81.2	28.3	12.3*	84.1*	84.8*	51.4*	31.2*	16.7*	8	1.4

First and 2nd loan clients were also asked whether they had acquired their assets in the past two years (See Table 10). New clients obtained many of their assets within the last two years, which may indicate that existing clients would have acquired their assets whether or not they had been a member. However, for small assets and beds, existing clients were more likely to have obtained these assets in the last 2 years. Similarly, 2nd loan clients were more likely to have obtained a motor bike in the last two years compared to new clients and 1st loan clients. This may suggest they had acquired the necessary income to make this purchase while they were in the BJS program, but we cannot say with certainty that this income came from their loan related activities.

Table 10

Value	Small <5,000 Rs			Medium 5,000 to 50,000 Rs					Large >50,000 Rs	
	Radio	Furn	Other	Bike	Bed	Stove	TV	Other	Motorcycle	Other
Asset acquired in last 2 years (% who owned)										
New Members (N=94)	78.9*	86.4*	75.0*	92.9	88.3*	96.3	89.9	77.8	81.8*	-
1 st loan (N=137)	96.4*	88.9*	72.2	90.1	98.*	77.8	83.1	9.6	81.8	33.3
2 nd Loan (N=138)	94.9*	93.8*	100*	94.0	95.7*	93.0	91.5	78.3	100*	50.0

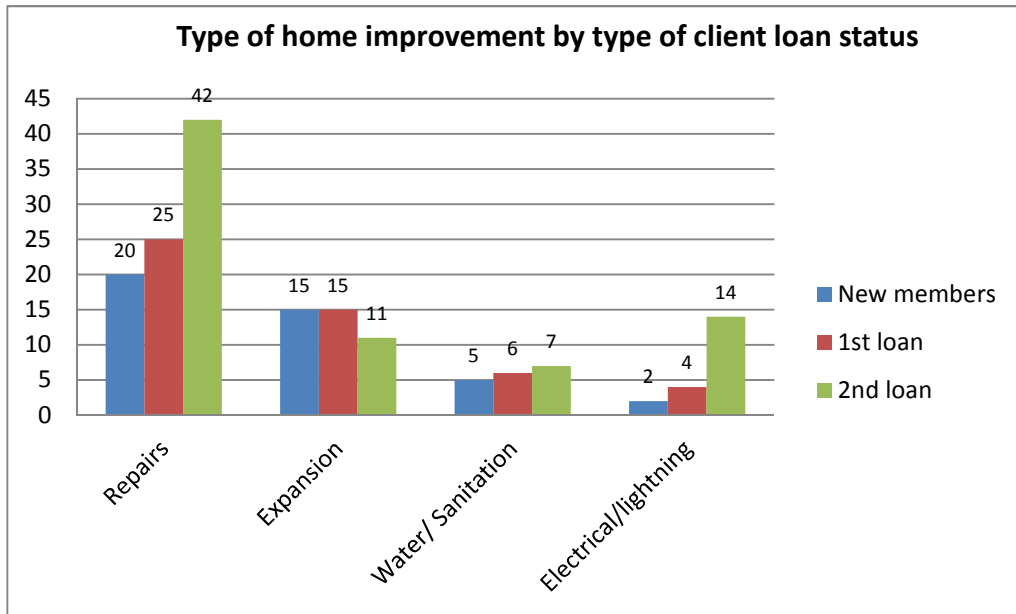
3.1.5 Changes in household welfare related to program participation

Among the household level hypotheses was that household welfare would increase as a result of program participation. Indicators of household welfare included: investment in home repairs, improvements and additions worth more than 5,000 Rs. Seventy four percent of 1st and 2nd loan clients combined (e.g., N= 38 and 50 respectively) made home improvements over 5,000 Rs over

the past two years compared to only 26% of new members (N=31). This difference was found to be significant at the 95% level.

When comparing those who make improvements, 2nd year clients are more likely to conduct home repairs and install electricity/lighting and less likely to expand their home than new members (See Fig. 5)

Figure 5

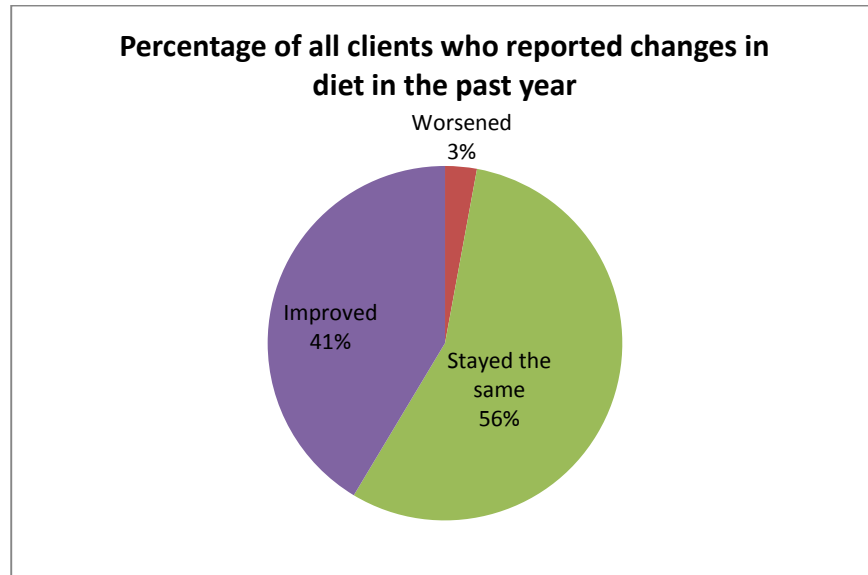


Between 90 and 100% of 1st loan clients reported making repairs and home expansions while in the program, and between 75 and 80% reported making water and sanitation improvements to their homes.

3.1.6 Changes in household diet

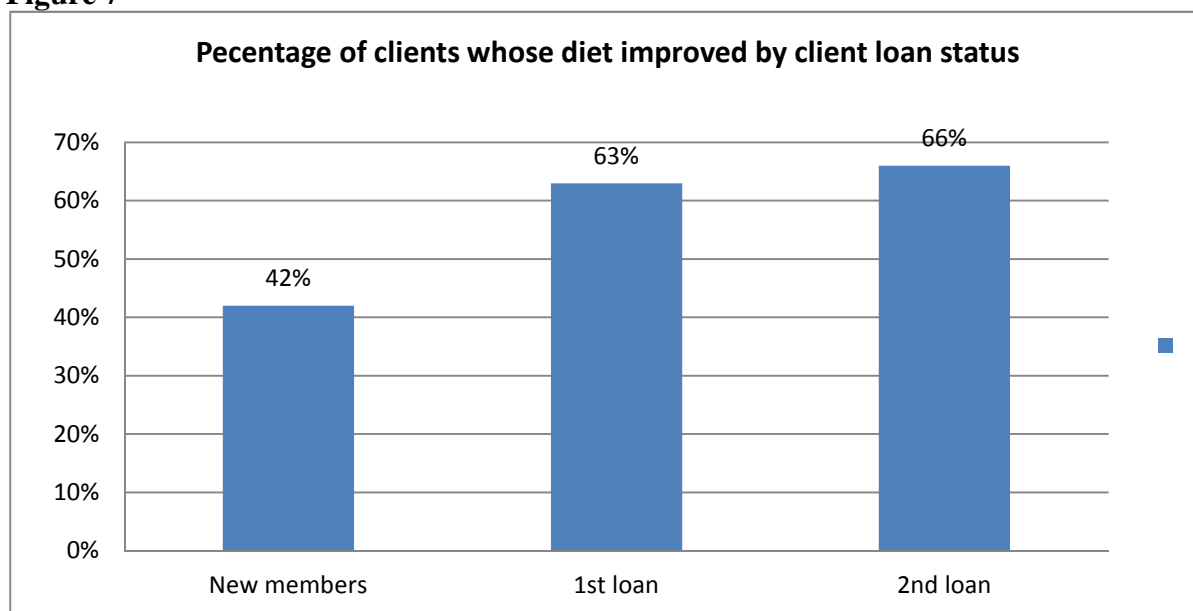
In another question related to changes in household welfare, clients were asked if their diet had changed in the past 12 months. Over 50 % of client in the three groups (N=417) stated that their diet had stayed the same (N=230); 41% said it had improved (N=171) and only 3% (N=12) said it had worsened (See Fig. 6).

Figure 6



To better examine the differences across groups we collapsed the answers into two new variables: “Diet improved” included those who said their diet had improved, and “Diet Worsened” included those whose diet had worsened or stayed the same. The analysis found that the percentage of those reporting their diet improved is higher among those clients completing the 1st loan than that among new members (significant at the 99% level) (See Fig.7). And, the percentage of those reporting improved diet among those clients completing the 2nd loan is higher than that among new members (also significant at the 99% level). When combining the two existing member groups, again, percentage reporting improved diet is higher than among new members, significant at the 99% level.

Figure 7



For those who responded their diet had improved over the last year, the main reason given was consumption of more cereal staples followed by more animal and dairy products (See Table 11). First and 2nd loan clients who reported diet improvements were more likely to cite More Animal/Dairy products than new clients (significant at the 95% level) while new clients were more likely to report the reason for improved diet was being able to eat 3 meals a day (significant at the 90% level).

Table 11

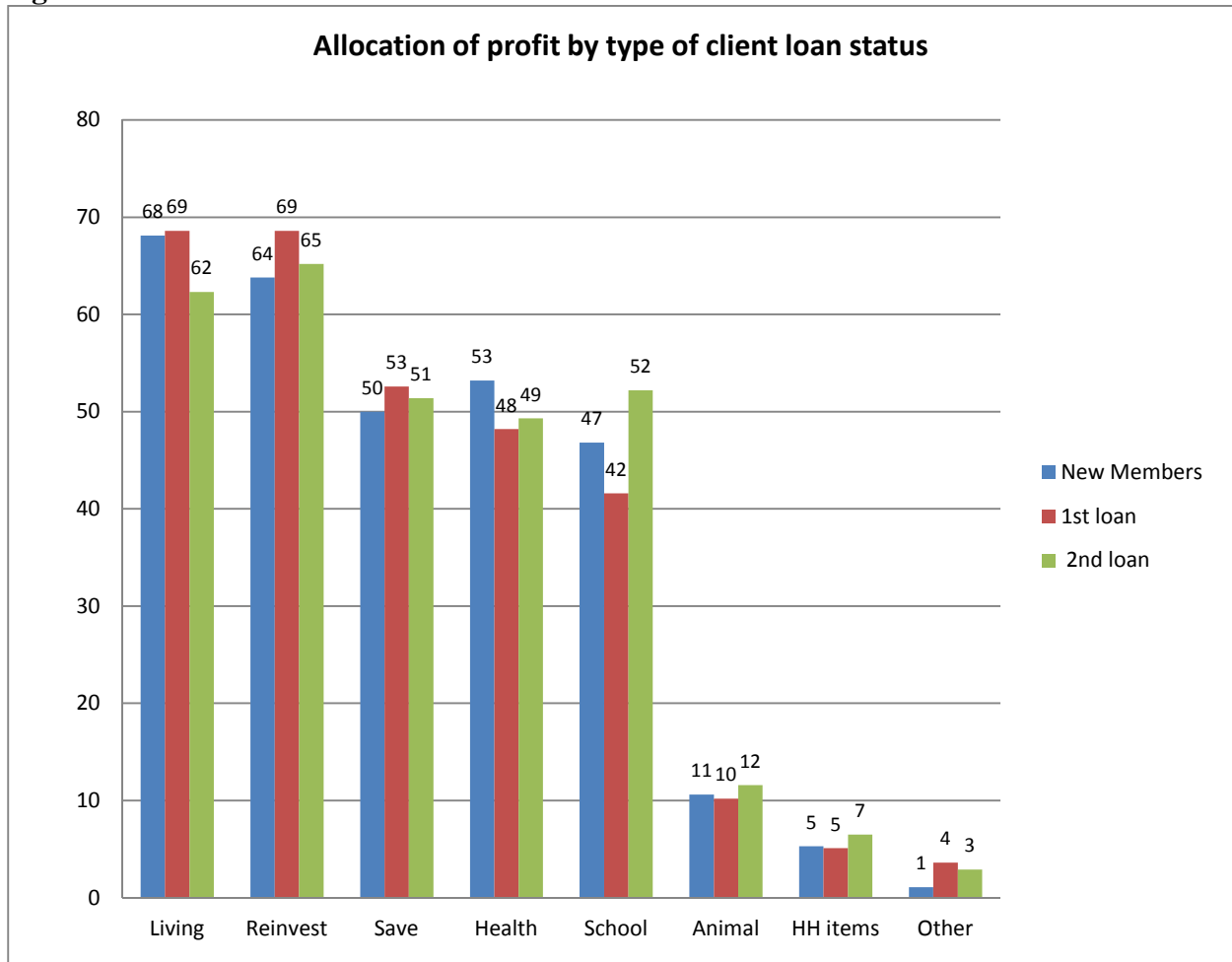
Reasons for Improved Diet (% of respondents)	More cereal staples	More animal/Dairy	Eat better during hungry season	Able to eat 3 meals/day
New Members (N=42)	78.6	54.7	47.6	48.8*
1 st Loan (N=63)	65.1	73.0*	34.9	34.9
2 nd Loan (N=66)	72.7	69.7*	40.9	36.4

The number of clients who reported their diet worsened was too small to allow for any statistical analysis. Subsequent questions about how these clients handled the food crisis in the household could not be analyzed due to the small sample size.

3.1.7 Changes in enterprise management practices

The second set of study hypotheses related to changes in management practices due to learning associated with their participation in the BJS loan program. One of these hypotheses was that program participation leads to changes in business practices associated with increased profitability. When clients were asked how they allocated the profits from their enterprises, the three groups gave similar responses (Note: multiple answers were possible) (See Fig. 8). Two thirds of all clients said they spent their profits on living expenses or reinvesting on their enterprise, and over half said they also saved their profits or spent them covering health and school related expenses.

Figure 8



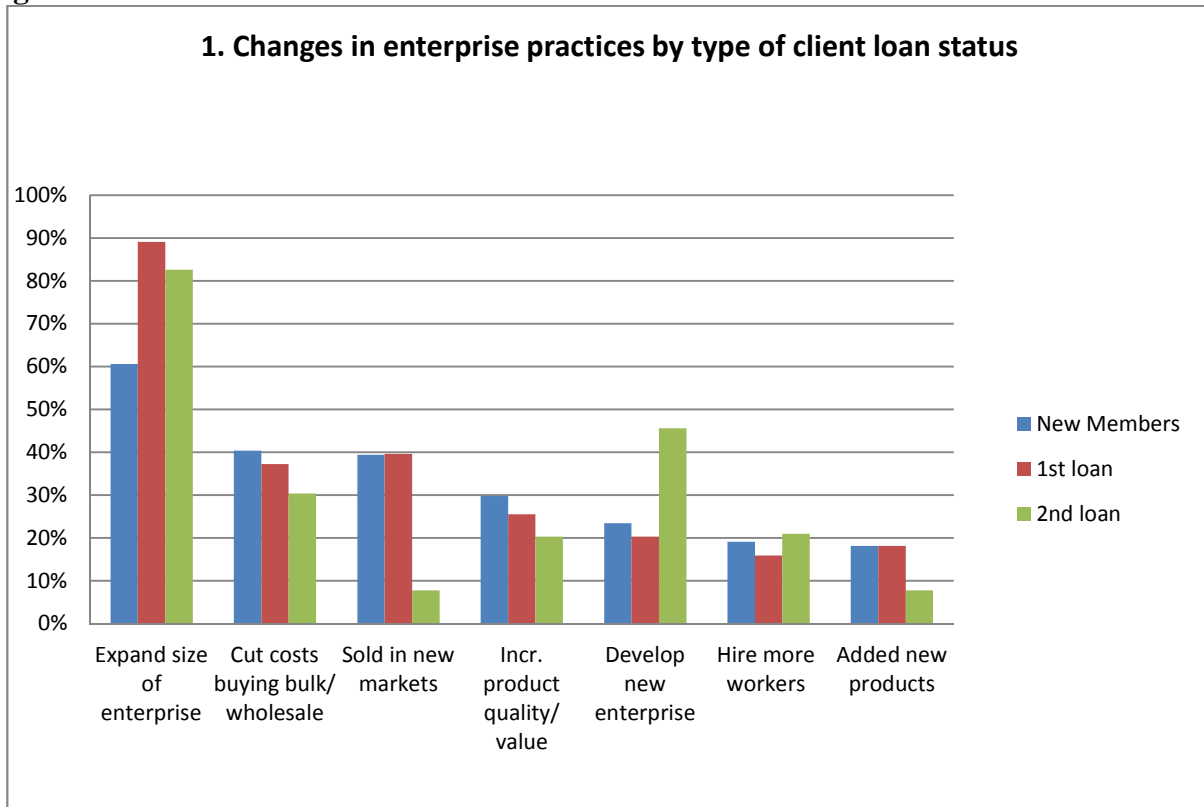
New members N= 94

1st loan N= 137

2nd loan N=138

When examining changes in business practices that could be associated with client participation in the loan program, we found some significant differences (at least the 90 percent level). New members and clients who have completed their 1st loan are more likely to have added new products compared to those who have completed their 2nd loan (See Figure 9). However, those completing their 2nd loan are more likely to have expanded their enterprise and less likely to have increased the quality/value of their products or reduced costs by buying in bulk than new clients.

Figure 9



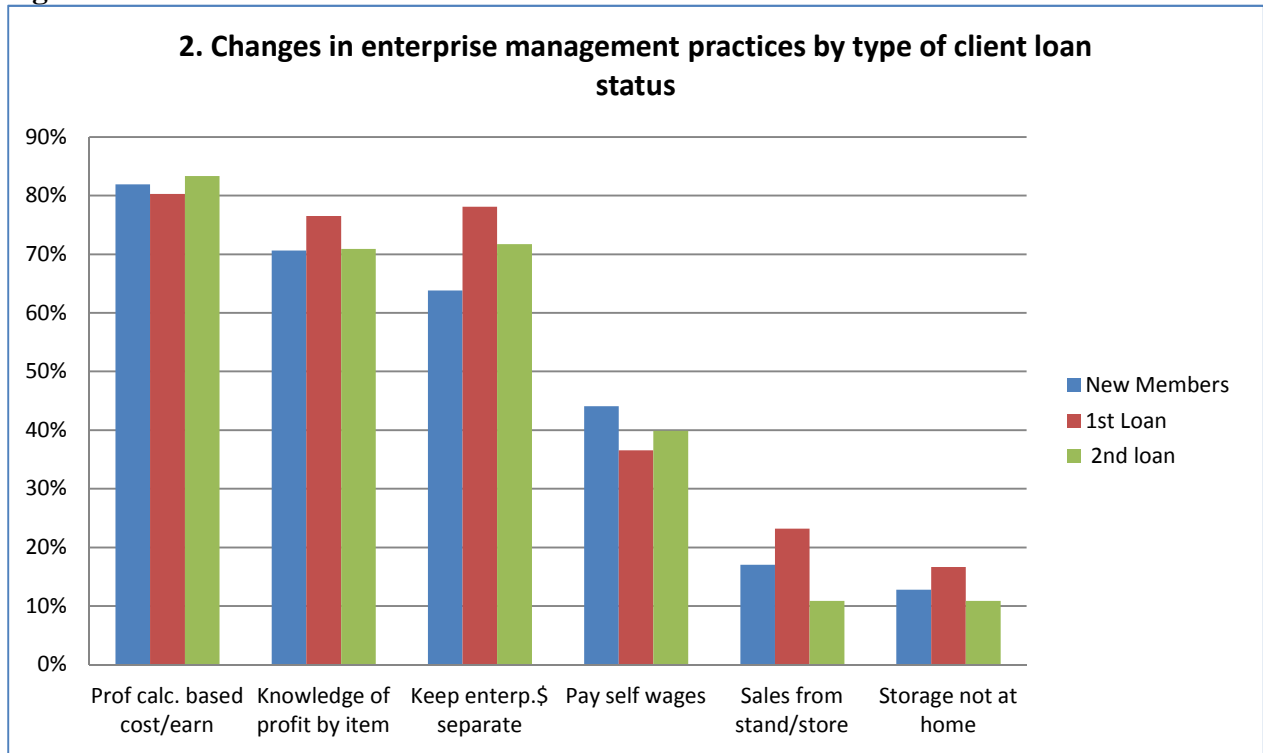
New members N=94

1st loan N=138

2nd loan N=138

Other changes introduced by clients in the past year had to do with how they handled enterprise income (e.g., keeping it separate from the household income; saving it or using it to pay themselves a salary), whether they started using separate facilities to operate their business (e.g., from a stall away from the home and with separate storage place away from home), whether they were able to identify which items in their inventory brought the highest profits, and whether they calculated their profits based on their knowledge of costs and earnings (See Fig. 10). The results showed that enterprise owners who are existing clients are more likely to keep enterprise money separate from other money (95% percent level of significance). Among clients, 1st loan clients are more likely to have a place not in their home like a stall or store to sell products (at 99%), and place where you store or fabricate your products that is not the family home (at 90%).

Figure 10

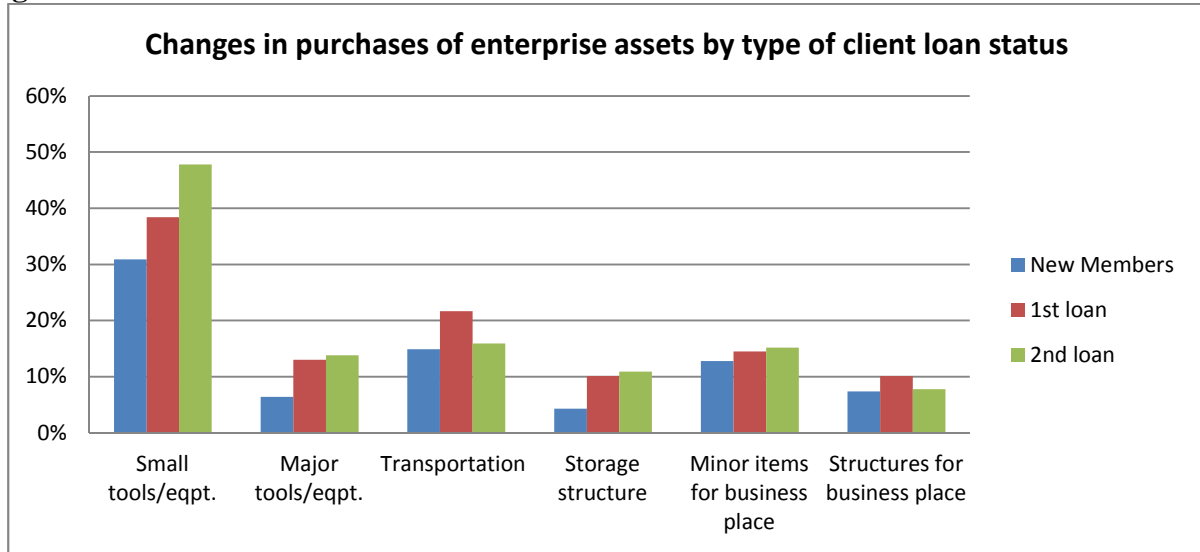


New members N=94
1st loan N=137
2nd loan N=138

3.1.8 Changes in enterprise asset investment practices

Clients in all groups were also asked if they had purchased different types of things for their enterprise over the past year. Investment decisions of 1st and 2nd loan clients differed significantly (at least at the 90% level). First and 2nd loan clients were more likely to purchase small tools and equipment, major tools and equipment and invest in storage structures, and 1st loan clients were more likely to have purchased their own means of transportation than new clients (See Fig. 11).

Figure 11



New members N=94

1st loan N=137

2nd loan N=138

4. Client satisfaction

Finally, the last section of the survey was reserved for clients only, and it asked questions about satisfaction with the loan and the services provided by BJS. Only four 1st loan clients and four 2nd loan clients reported they had had difficulties re-paying their loans. Among the three things clients liked best about the program were: BJS staff, having a steady source of income, and obtaining a relatively lower interest rate than they could from other loan sources (Multiple answers were possible. See Table 12)

Table 12

3 things most liked (% respondents)	Staff	Steady source	Relatively lower interest rate	Group	Tech. Asst.	Other Fin Services	Other non-fin Services
1 st Loan (N=138)	81.9	80.4	49.3	44.9	11.6	23.2	8.0
2 nd Loan (N=138)	80.4	87.7	46.4	42.0	15.9	23.2	2.2

When asked about the three things they disliked the most about the program (Multiple answers were possible. See Table 13), clients listed: the loan size being too small, the loan cycle being too long, and the frequency of group meetings as their top choices. Survey respondents did not offer any suggestions for program improvement.

Table 13

3 things most disliked (% respondents)	Loan size too small	Loan cycle too long	Meeting Freq.	Repayment Policies	High Interest/ commission	Loan cycle Too short
1 st Loan (N=138)	29.7	29.0	17.4	2.9	1.4	0
2 nd Loan (N=138)	27.5	19.6	14.5	5.8	3.3	1.4

Appendix A

Impact Survey

Type of tool:

Quantitative

Overview:

The Impact Survey is administered to three groups selected at random: a group of short-term clients (about one year's time in the program), a group of longer-term clients (two years or more in the program), and a group of new clients who have joined the program but have not yet received any services. The survey is administered in the same way to all respondents; their answers are expressed largely in terms of numbers corresponding to pre-coded responses.

Hypotheses tested by this tool:

At the household level:

Increased income

Increased assets

Increased welfare (in such aspects as food security, housing, and health)

At the individual level:

- Increased control of resources on the part of women clients

No negative impacts on children's labor

Increases in paid labor—and in the productivity of labor for women, without negative consequences

At the enterprise level:

- Increased net worth

- Increased net cash flow

Increased differentiation between the microenterprise and household

At the community level:

Increases in paid employment by client families/households

Purpose:

The purpose of the Impact Survey is to test multiple hypotheses that correspond to various types of impact using a tool that is practical, cost effective, credible, and valid.

Amount of time required to administer the tool:

About 60 minutes (1 hour)

Source:

Barbara McNelly of Freedom from Hunger originally wrote this survey tool with input from the SEEP/AIMS team and revisions based on field tests.

Survey reviewed by: _____ Data entered on computer by: _____

Impact Survey—BJS

Survey identification number: __ (Branch No) __ (Client No)

Branch: Bashithat (01) Taki (02) Baduria (03) Laxmipur (04)
Dhupguri (05) Falakata (06)
Chandpara (07) Maynaaguri (08) Madarihat
(09) Alipurdwar (10)

Name of interviewer: _____

Date of interview: _____

1. New member

2. Client at end of 1st loan

3. Client at end of 2nd loan

New Member = No Loan Disbursed 1st Loan = No more than 14 months

2nd Loan = No more than 26 months

Client information only: (Complete from program records, when possible, or by asking client.)

Name of Interviewee: _____ Name of group: _____

Date joined program: _____ (day/mo/yr)

Total months in program: [_____]

No. of program loans client has taken: [_____]

Amount of 1st program loan: [_____]

Amount of 2nd loan: [_____]

Cumulative value of all loans taken: [_____]

(Introduce yourself; explain the purpose of the survey and the voluntary nature of the interview.)

Individual Level: Basic Information

1. Are you currently borrowing from another source for your enterprise? 1 = Yes 0 = No

If the answer to 1 is YES, END THE SURVEY

2. How old are you?

Specify number of years

99 = Don't know

3. Currently, are you ...? (Read answers. Enter only one.)

1 = Married

3 = Widowed

2 = Separated/divorced

4 = Single/never married

4. How many years of school have you completed?

Specify number of years

99 = Don't know

Household Level: Basic Information

5. How many persons in your household—those who live together and share the same food at least once in a day—are...

Number of persons:

Adults—18 years of age or older

Children—17 years of age or younger

6. How many persons in your household are working—engaged in work that earns income or products?
Number economically active.

7. Who is the head of your household— the person who is the principal decision-maker?

1 = Self

2 = Male relative
(husband, father,
brother, uncle,
grandfather, father-in-
law, brother-in-law)

3 = Female relative
(mother, sister, aunt,
grandmother, mother-in-
law)

4 = Husband and wife

Education of Children *(Adjust ages used to define "school-aged" to each site)*

8. How many children in your household are school-aged (5-17 years of age)?

Total number of school-aged
children

9. How many of these children currently attend school?

Total number in school

10. How does the amount your household spent on school and school expenses for this current school year compare to what you spent last school year. Did the amount... *(Read answers and enter response.)*

1 =

2 =

3 =

99 =

98 =

Decreased

Stayed the
same

Increased

Don't know

Not applicable

14a. Specify the type of enterprise

- | | | | | | | |
|---|---|---|---|-------------------------|--|--------------------------|
| 1 =
Commerce/
trade/retail
(includes petty
trade) | 2 =
Manufacturing
(includes food
processing,
textile
production,
crafts, leather
work) | 3 =
Service
(includes
hairdressing,
cleaning
services) | 4 =
Agriculture
(includes food or
other crop
production,) | 5 =
Animal husbandry | 98 =
Not applicable;
did not invest
the loan in an
income-
generating
enterprise | <input type="checkbox"/> |
|---|---|---|---|-------------------------|--|--------------------------|

15. (For clients and non-clients who answered YES to #14) During the last 12 months, in what **three** principal ways did you use the profit from your enterprise activity? Tell me the one you used the most money for first. (**Do not read answers. If the person offers more than one "other" responses, code them each as 8 and specify answers**)

- | | | |
|------------------------------|-------------------------------|---|
| 1 = Living expenses | 4 = Buy items for the house | 8 = Other (specify) |
| 2 = Pay school expenses | 5 = Reinvest in my enterprise | 99 = Don't know |
| 3 = Pay health-related costs | 6 = Save | 98 = Not applicable; has no enterprise activity |
| | 7 = Animal raising | |

Enterprise Level: Income, Labor, and Profit

16 (For clients and non-clients who answered YES to #14) During the last 12 months, did you make any of the following changes to your enterprise activity? Read list of possible changes.	1 = Yes	0 = No	99 = Don't know
a. Expanded size of enterprise			
b. Added new products			
c. Hired more workers			
d. Increased quality or value of product			
e. Reduced costs by buying supplies in greater volume or at wholesale prices			
f. Developed a new enterprise			
g. Sold in new markets/locations			
17. During the last 12 months, did you purchase or invest in any of the following assets for your enterprise activity? (Read list of possible changes.)	1 = Yes	0 = No	99 = Don't know
a. Purchased small tools or equipment for their enterprise			
b. Purchased major tools or equipment for their enterprise			
c. Purchased own means of transportation such as a bicycle, or other			
d. Invested in a storage structure to keep your product			
e. Made a minor investment in your place of business by purchasing a chair, table, shed, or the like			
f. Invested in structures for your place of business (stall, shop)			

18. In managing your enterprise activity, (<i>Read.</i>) (<i>For clients, read across the row by item.</i>)	18a. (<i>For clients and non-clients with an enterprise</i>)			18b. (<i>Clients only</i>) Is this a practice you have adopted since you joined the program?	
	1 = Yes	0 = No	99 = DK	1 = Yes	0 = No
a. Do you keep your enterprise money separate from the money you have for personal and household expenses?					
b. Do you calculate your profit based on records of your costs and earnings?					
c. Do you know which of the things you sell bring you the most money?					
d. Do you pay yourself a wage for your work in your enterprise?					
e. Do you have a place not in your home like a stall or store where you sell your products?					
f. Do you have a place where you store or fabricate your products that is not the family home?					

Household Level: Assets

19. (*For all*) Now I have some questions about items that your household might own. (*An appropriate list of assets must be created for each site.*) I will read a list of items and I would like you to indicate if you or anyone in your household owns any of these items.

Item (<i>Read across by row a-c item by item.</i>)	19a. Does anyone in the household own this item? (<i>Read and check "yes" or "no"</i>)		19b. Was this item (or more of this item) acquired during the last 2 years?		19c. (<i>Clients only</i>) Were you a member of the program when this item (or more of this item) was acquired?	
	1 = Yes	0 = No	1 = Yes	0 = No	1 = Yes	0 = No
Consumer Assets of Relative Modest Value—on average worth less than 5,000 rupees						
Tape player/Radio						
Chairs/benches/tables						
Other						
Consumer Assets of Mid-range Value—On average worth more than 5,000 but less than 50,000 rupees						
Bicycle						
Frame bed w/mattress						
Stove/refrigerator						
Television						
Other						
Consumer Assets of High-range Value—On average worth more than 50,000 rupees						
Motorcycle						
Other						

Household Level Welfare: Housing Improvements

20 (For all) During the last two years, were any repairs, improvements or additions made to your home that cost **more than Rs. 5,000/-** ?

- 1 = Yes 0 = No 99 = Don't know
 (Go to #21) (Go to #22) (Go to #22)

21. Which of the following have you done in the last two years?

Housing Repairs, Improvements, or Additions	21a. (For all) (Read and check "yes Or no")		21b. (Clients only) Were you a member of the program when this was done?	
	1 = Yes	0 = No	1 = Yes	0 = No
a. House repairs or improvements (for example, fixed or improved existing roof, floor, or walls)				
b. House expansion (for example, built new room, shed, attic, or fence)				
c. Improved water or sanitation system (for example, new well, drainage/sewage system, or showers-latrines-wash basin)				
d. Lighting/electricity				

Household Level Welfare: (For all) Diet and Coping with Difficult Times

22. During the last 12 months, has your household's diet (Read answers and indicate response.)

- 1 = Worsened 2 = Stayed the 3 = Improved 99 = Don't know
 (Go to #22b and 22c) same (For all Go to #22a) know
 (For clients Go to #23. **For non clients END Interview**) (For clients Go to #23. **For non clients END Interview**)

22a. (If improved) How has it improved? (**Do not read answers.** Multiple answers possible. Probe by asking, "And anything else? If the person gives more than "other" responses, code each as 5 and specify each answer)

- 1 = Able to buy more cereal staples—wheat, rice 2 = Able to buy more animal/dairy products—meat, milk, eggs, fish 3 = Able to eat better during the hungry season 4 = Able to eat three meals in a day 5 = Other (specify) 99 = Don't know

22b. (If worsened) How has it worsened? (**Do not read answers.** Multiple answers possible. Probe by asking, "And anything else?") If the person gives more than one "other" responses, code each as 5 and specify each answer

- 1 = Less able to buy more cereal staples—wheat, rice 2 = Less able to buy more animal/dairy products—meat, milk, eggs, fish 3 = Less able to eat better during the hungry season 4 = Less able to eat three meals in a day 5 = Other (specify)

99 = Don't know

22c. What did your household do to get through this difficult situation? (**Read answers.** Multiple answers possible the person gives more than one "other" responses, code each as 6 and specify each answer.)

1 = Borrowed money or food from family/friend at no cost

2 = Borrowed money or food at cost

3 = Sold personal property

4 = Self or someone else in family left area to seek employment

5 = Self or someone else in family got local employment

6 = Other (specify) _____

99 = Don't know

*******End for non-clients—express thanks for their time—answer any questions or concerns they may have regarding the interview*******

Questions for clients only

23a. Did you face any difficulty repaying your loan to the program in the last loan cycle?

1 = Yes

0 = No

99 = Don't know

(Go to #23b)

(Go to #24a and 24b)

(Go to #24a and 24b)

23b. (If yes) What caused your repayment problems? (*Do not read answers. Probe. Multiple answers are possible. the person gives more than one "other" responses, code each as 5 and specify each answer*)

1 = Business was not profitable

2 = I or others in my family had been sick

3 = Used some of the loan money for food or other items for the household

4 = Sold on credit and did not get paid back in time

5 = Other (specify) _____

99 = Don't know

24a. Name **three** things you like most about the BJS program. (*Do not read answers. Multiple answers are possible. If the person gives more than one "other" responses, code each as 8 and specify each answer*)

1 = Lower interest rate than other informal sources of credit (informal lenders)

2 = Steady source of finance

3 = Group solidarity and/or group dynamics

4 = Training or technical assistance

5 = Other financial services, such as insurance

6 = Other non financial services like health education awareness

7 = Good behavior of staff

8=Other (specify) _____

99 = Don't know

24b. Name **three** things you like least about the *BJS* program. (*Do not read answers. Multiple answers are possible. If the person gives more than one "other" responses, code each as 10 and specify each answer*)

1 = High interest rates or commission

2 = Size of initial or subsequent loans too small

3 = Loan cycle too long

4 = Loan cycle too short

5 = Meeting frequency

6 = Repayment policies (frequency, amount)

7 = Transaction costs for client (such as slow disbursement or have to cash checks)

8 = Dislike behavior/ attitude of loan officer or other program personnel

9 = Lack of grace period

10 = Other (specify)

11 = Nothing

99 = Don't know

*******End for clients—express thanks for their time—answer any questions*******

Appendix B

SAMPLING INSTRUCTIONS FOR BJS BRANCH OFFICES

August 2011

- 1) **Calculate the # of groups from each branch:** Divide the current number of groups in the branch by the number of non-clients to be sampled from the branch. For example, for Bashirt the number of groups they have to sample from would be rounded up to 7 ($=142/22$)
- 2) **Selecting the groups:** Using a current list of groups starting from the newest to the oldest groups, **select the 1st group and every xth group thereafter.** In the Bashirhat example it would be the 1st and every 7th group thereafter.
- 3) **Selecting clients for the survey:** For each group randomly selected:
 - Secure the list of clients
 - Eliminate clients who have been in the program over **26 months**
 - Divide the remaining names into three categories-members: 1st loans (no more than 14 months in the program); second loans (no more than 26 months in the program).
- 4) **Developing final list of clients to be interviewed:**
 - Write the names of people in each of the interviewee categories on a piece of paper
 - Put all the names in a box or bag and pull the number that you need for category
 - Check the selected names against their records and eliminate those who have loans from other MFIs. Each person who is eliminated needs to be replaced by another name from the box. If by eliminating non-eligible people you run out of names in that group and need additional names, go back to the group list and select the next group after the 1st or xth group. In the Bashirhat example, new names can be randomly drawn from the 2nd or 8th group until the desired number is reached
- 5) **Repeat this process until the numbers under each category are reached**

Appendix C

TRAINING INTRUCTIONS FOR BJS SOCIAL IMPACT SURVEY

August 2011

TRAINER RESPONSIBILITIES:

- All individuals who will be conducting surveys should be trained by the trainer for quality control purposes
- The trainer must be very familiar with the survey in order to answer any questions from interviewers
- Contact branch offices to schedule the training
- Make copies of the survey to use for practice during the training
- Explain the purpose of the survey to interviewers and branch managers
- Explain the study design (three client groups—non-client will be compared to 1st and 2nd loan clients)
- Before you go over how to complete the survey, allow time for interviewers to read the survey on their own
- Go over the entire survey question by question and review the answer choices and coding with the interviewers
- Answer questions and note any problems with the survey that interviewers may point out
- Put two interviewers together and have them practice taking turns to play the interviewer and client roles. **Every interviewer must have a chance to fill out a practice survey during the training**
- Review the completed practice surveys to see if they are complete and address any mistakes you may catch
- Determine when the data collection must start and end and how often the branch office will send completed surveys to BJS.

SAMPLE SELECTION

- Go over the sampling strategy with the branch manager on the day of the training and answer any questions he may have.
- Give the branch manager the numbers of each type of client to include in the random sampling

INTERVIEWERS:

Interviewers should be someone who is not the loan officer for the woman who is being interviewed.

BEFORE THE INTERVIEW

- Interviewer will gather all the records of people he will interview and complete the loan information section of the survey ahead of time.

- Make an appointment for the interview and decide on the place. Conduct the interview in a place where there is privacy, not in front of other people. It could be at the client's home.
- The interview should be conducted alone, not as part of other BJS business with the client
- Make sure the interviewee fits the selection criteria for her group (non-client, 1st loan and 2nd loan client)
- Make sure the client does not have any other loans
- Have pencil and eraser for the interview
- Assign a survey ID number based on the two digit code for your branch, and the two digit number ID for each client. The client number will be provided by the branch manager. If the ID is a single digit number, use 0 before the number, like 01.

STARTING THE SURVEY

- At the beginning of the interview, explain the purpose of the interview, tell person how long it is going to take.
- The purpose of the interview is to understand how the loans that BJS gives to women impact their income and their well being.
- Tell woman the information will be confidential and her name will not be used in any reports. Explain that it is important for them to be honest with you about the things they are sharing, and that this information will not impact her current or future loans.
- Before you start, ask her if she has any questions about the survey for you, and if she does, answer them.

CONDUCTING THE INTERVIEW

- Read every question the way it is written, do not deviate from the questions in any way
- Follow the instructions provided within the questions
- When the instructions tell you to read the answers, do that.
- If instructions say DO NOT READ, don't read. Allow the woman time to think and don't rush her or start probing for answers if she is not talking. WAIT for the answer.
- If the woman clearly does not understand the question, try to re phrase it until she understands and then wait for her to answer. If the woman still cannot answer, use the code for "Don't know" and continue to the next question
- MAKE SURE YOU MARK ALL APPROPRIATE ANSWER BOXES WITH THE CORRECT CODES.

- **When to use the “Not applicable” code:** Use this code when the question cannot be answered by the client because of the way they answered another question. For instance, in **Question 10**, use the “Not Applicable” code if the woman has no children currently attending school
- **When to use the “Other” code:** In many questions you are instructed not to read the answers provided in the survey but to allow the client to provide her own answer. IF the answer she provides is not one of the pre-coded options, use the “Other” code and specify what this is. When multiple answers are possible and the client gives more than one “Other” response, code each one as “Other” and specify what it means. **Questions 13a, 13b, 15, 22a, 22b, 22c, 23b, 24a and 24b all have multiple possible answers.** Follow instructions provided in the survey for how to use the “Other” code.
- **Follow the skip patterns for questions.** For example, if the client answers “No” to Question 11, you are instructed to skip Question 12 and go to Question 13.
- **For Questions 19 and 20** about household assets, make sure you read the amount of Rupees of each type of asset to the client
- **Make sure you ask the right questions to each type of client.** Some questions are only meant for non-clients and others are meant for clients only. The questions that should be answered by all are labeled FOR ALL.

AFTER THE INTERVIEW

- Go over the completed survey to make sure all the boxes are filled and the answers are clearly marked.
- Make sure all preliminary client information from the record has been completed
- Enter the date and time of the survey completion on the table of completed interviews
- Turn the completed survey over to the branch manager for his final review