

# Loan 'Mentors' started at BYU is moving into Peru

## Firm provides \$50-300 loans to small businesses

**By Tad Walch**

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PROVO — A group started at Brigham Young University that provides microloans of \$50 to \$300 to small businesses in developing countries is moving into Peru.

Enterprise Mentors International made the announcement over the weekend at the sixth annual Microenterprise Conference at BYU. Since 1990, EMI has provided an average of \$227 per loan to 30,513 small-business men and women in the Philippines, Mexico, Guatemala and El Salvador.

Last year, Enterprise provided \$1.7 million in loans to 10,507 families.

"With their family members included, the people we helped last year would fill LaVell Edwards Stadium," said Jay-nann M. Payne, a member of EMI's board of directors.

One of EMI's founders, BYU organizational behavior professor Warner Woodworth, said the conference is a major event in the microcredit movement.

"I calculated that the organizations that spoke or attended our conference have loaned out in the last year, \$220 million to a million people," Woodworth said. "It's not a little conference. It's not a few Utah Valley guys sitting around talking. It's a worldwide effort to provide a better quality of life to poor people."

The BYU conference is designed to focus business students on using strategies learned at school to lift the impoverished, Woodworth said. One specific benefit is that organizations from around the world are matched with inexpensive summer labor — students who have taken courses in microcredit and have, because of LDS Church missions, language and cultural experience in key coun-

tries.

EMI provides loans only after training the men and women who apply, said Michael Williams, the company's director of development. The organization also provides counseling, mentoring and consulting. More than 95 percent of the loans are repaid with 24 percent annual interest, which Williams said is low for people with no credit and no collateral in developing countries.

The non-profit organization targeted Peru because 50 percent of the population lives in poverty and 85 percent of the work force is employed in the informal marketplace. The chairman of EMI's board, Fred Huckvale, visited Peru recently and said he found a repeat of the difficult economic circumstances that exist in other areas where EMI operates.

"The average daily pay is in the \$6 to \$8 range, hardly enough to feed a family," Huckvale said. "And, as in other developing countries, the loan sharks make the most money."

Woodworth helped launch EMI after a returning LDS mission president and area authorities noticed economic struggles among church members in the Philippines. A study showed high unemployment among educated church members who weren't getting involved with non-governmental organizations providing support in the islands.

"EMI is solid and it has been successful," said Woodworth, who left the organization last year. "It's not trying to do everything, like some organizations. One of EMI's strengths is we're really focused on economic empowerment. We're running training sessions and educating people in small business, and then providing loans so they can double and triple their business."

Those interested in working with EMI to provide micro-lending can call Michael Williams at 801-943-2596 or send him an e-mail at [mike.williams@enterprise-mentors.org](mailto:mike.williams@enterprise-mentors.org).

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