

Microcredit lending helps to alleviate the poor

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By MARLIESE FILLMORE

The world may be on the verge of ending poverty through the efforts of microcredit lending, a system of giving small loans to impoverished individuals.

"We must increase our visions and broaden our minds until poverty exists only in the museums," said Geoff Davis, of Grameen Foundation USA, a group that gathers funds and distributes loans to those in need.

Davis was one of many national and world experts on microcredit lending who spoke at the Rocky Mountain Microcredit Conference in the Wilkinson Center Thursday and Friday.

Also at the conference Friday was Sen. Bob Bennett, R-Utah, who said, "I am all for encouraging self-wealth creation."

Bennett said he has demanded that at least \$135 million be allocated to microcredit programs in the United States, and he said he is hoping to increase this sum annually.

Microcredit "has transformed generations of lives by allowing people to take business risks, which is what creates wealth," Bennett said. "There are no sound reasons to oppose a program like this."

Microcredit lending is not a charity operation. Debtors are required to pay back their loans with interest.

"Welfare is valuable in that it helps people, but it puts them in a box," said Sam Daley-Harris, the founder of RESULTS, a citizen's lobby group dedicated to helping the poor.

Dale Simpson of the LDS Foundation said Microcredit "teaches people how to fish instead of giving them fish."

Kathy Ricci, of the Utah Microenterprise Loan Fund, said all of their borrowers must be unable to get a loan from any other source, submit a business plan as to what they intend to do with the funds they are receiving and then attend a weekly credit committee meeting to keep them on track.

However, borrowers do not need to have collateral or a perfect credit history; this holds back many people that are trapped below the poverty line, Ricci said.

One problem advocates of microcredit have had to overcome is the misconception people have of the poor, said Scott Leckman of the citizen's lobby group, RESULTS.

In third-world countries the poor are seen as victims of circumstance, Leckman said, but in the United States poor people are often seen as lacking the talent, skills and intelligence to be successful.

"This is simply not true. I've seen people out there hustling to make \$40 per day in their own nail-care business. These people have the desire," said Alex Counts, the executive director of Grameen Foundation USA.

Selling jewelry or fruit on the streets, performing massage therapy, devising and marketing a new line of cold-weather apparel and running beauty salons are all ways that impoverished individuals have become self-sufficient, contributing members of society, Counts said.

Counts said these success stories all began with Microcredit loans, sometimes no more than \$400.

The Grameen support group at BYU has attempted to make people aware of microcredit and what it can do for poverty stricken people.

"BYU's Grameen group has done a tremendous job in awareness and I would like to see similar organizations in universities throughout the country, with BYU being the first, the pilot of all student chapters," Counts said.

Speakers at the conference encouraged students and others to join any poverty alleviation group, lobby local government or take finance classes to learn about microcredit and become an asset to this movement.