

BYU student, professor win award for research

By Jennifer Bigler *NewsNet Staff Writer* - 25 Nov 2003

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Photo courtesy Shon Hiatt

BYU student Shon Hiatt works with small business owners in Guatemala.

Shon Hiatt, a BYU public management student, and Warren Woodworth, a BYU organizational behavior professor, share a common bond. Not only do they both feel passionate about a program called microcredit, but the two received an award from the Utah Academy of Sciences, Arts and Letters on Nov. 14, for their study on the impact of the Latino Finance program.

"Shon and Warner won due to their unique topic," said Dwight Israelson, president of the Academy and a professor of economics at Utah State University. "It had wonderful statistical analysis and was a really good example of a use of the scientific method."

Latino Finance is a name the two used to protect the confidentiality of the actual microfinance organization. It provides small loans to poor families known as microcredit.

Woodworth, a pioneer in microcredit and partner of Latino Finance, said microcredit is giving small loans to poor people in third-world countries.

With these loans, people can purchase material needed to build small businesses and become self-sufficient.

Hiatt found interest in microcredit upon entering BYU's MPA program. After meeting Woodworth, the two decided to create a study on the effects of using microcredit to

combat poverty.

After receiving research funds, Hiatt and Woodworth traveled to Guatemala last summer (2002) to study the results of the program.

"It took two months to analyze data," said Hiatt. "I then realized that the poor borrowers were able to change their lives with microcredit from the Latino Finance program. Those who are just starting with the loans were much worse off than those who have been involved in the Latino Finance program for a period of time."

Hiatt and Woodworth wrote a research paper and submitted it to the Academy in the fall of 2002. In April, the Academy's Annual Conference was held at Weber State University. After that, other peers read the submissions to decide which ones qualified for the Fall 2003 competition.

"It addressed a really important issue," Israelson said. "Their paper talked about some interesting issues relative to the ability of the people to actually create a successful business, especially in poverty-stricken third world countries."

Israelson said the Academy awarded Hiatt and Woodworth funds to continue their research and agreed to publish the article in the Academy's journal.

Woodworth said he believes the greatest reward of the project was helping to educate the public about the benefits of the Latino Finance program.

"A lot of Latter-day Saints are now giving money to microcredit organizations because they have read books and studies such as the one Shon and I were involved in," Woodworth said. "This program has to do with the church's welfare principles. We do not believe in just giving people things. We believe in educating them and helping them to become self-sufficient."

Woodworth introduced the micro credit program to the church about 30 years ago when he initiated a program to assist with the financial situation of church members in the Philippines.

"I always knew these programs had great potential," Woodworth said. "I have been involved with them for many years and worked with many incredible people to launch microcredit all over the world."

Woodworth encourages BYU students to become involved in programs such as microcredit that promote the welfare of poverty-stricken people.