

## **Village Enterprise Fund Helps Break the Cycle of Poverty in East Africa**

### **Quantifiable results attest to effectiveness of seed capital, training and mentoring program**

**San Carlos, CA** – March 18, 2008 – A comprehensive before-and-after survey by the Village Enterprise Fund (VEF) quantifies how the organization has helped transform the lives of the rural poor in sub-Saharan Africa. The study of businesses VEF has helped start shows dramatic, long-term improvements in the standard of living for the participants.

VEF provides seed capital grants, training and mentoring for small businesses in Kenya, Tanzania and Uganda. The organization helps the rural poor who need more than money and who are not served by traditional micro-lenders. VEF provides grants of \$100 to \$150 in two installments. VEF business mentors help identify potential recipients, and provide the training and mentoring needed for success.

“This recent survey data confirms scientifically what we have seen over the years, that our program dramatically improves the lives of the micro-business owners,” said Brian Lehnen, co-founder and executive director of VEF.

VEF can measure the impact of its programs because the organization gathers baseline data from potential business leaders before they participate. “This is how we qualify the group and ensure that we are serving the neediest people in the region,” explained Lehnen. This baseline data is an unusual asset for VEF as most micro-finance organizations do not collect such information on a systematic basis.

### **Results Show Dramatic Improvement in Standard of Living**

The survey concentrated on how the VEF program affected the business owners’ standard of living. Respondents showed consistent and significant improvement in several areas, when compared with the baseline data. For example, across all three countries:

- The percentage of children in school increased 40 percent, from 68 percent to 95 percent.
- The average number of meals increased from 1.9 to 2.5 meals a day, a 32 percent increase.
- Households using iron sheet roofs instead of straw ones changed from 37 percent to 65 percent.
- Land ownership increased 16 percent in Kenya, 37 percent in Tanzania and 20 percent in Uganda.
- The value of livestock increased significantly. The change in value of these animals was 161 percent in Kenya, 571 percent in Tanzania, and 627 percent in Uganda.

The study's results are consistent with other data VEF has gathered since its founding 20 years ago. The organization has helped launch more than 16,000 businesses, each of which improves the lives of an average of 25 people (400,000 people total). Eighty-eight percent of the businesses are operating after the one-year mark, and 75 percent are still thriving after four years. Fully one-third of the businesses launch a second or subsequent business.

Almost all VEF participants started on the lowest rung of the economic ladder. Most had been living in extreme poverty, with little or no hope of a better future until entering the VEF program.

### **Statistical Methodology**

The comprehensive survey was conducted between September 2005 and November 2006. To ensure accuracy, VEF spent more than a year tabulating, checking and analyzing the results.

VEF interns interviewed a random sample of VEF-funded businesses that had been operating for two to five years. A total of 284 businesses, about 7 percent of the total businesses VEF started in this period, participated.

The quantitative and qualitative survey consisted of more than 100 questions about locally relevant indicators, such as nutrition, children's education, and household assets.

The businesses included agriculture, livestock, manufacturing, retail and service operations. The typical respondent was 33 to 35 years old and supported an average of five to eight dependents. In Kenya, 61 percent of the surveyed business leaders were women, compared to 59 percent in Tanzania and 47 percent in Uganda.

An executive summary and detailed results of the VEF Program and Impact Evaluation study are available at [www.VillageEnterpriseFund.org/information.html](http://www.VillageEnterpriseFund.org/information.html).

### **About Village Enterprise Fund**

Village Enterprise Fund (VEF) helps break the cycle of poverty in rural East Africa through training, seed capital and mentoring for small, income-generating businesses. Since its start in 1987, the not-for-profit 501(c)3 organization has helped improve the lives of hundreds of thousands of people in sub-Saharan Africa. For more information about the San Carlos, CA-based organization, visit the website at [www.VillageEnterpriseFund.org](http://www.VillageEnterpriseFund.org), e-mail [info@VillageEnterpriseFund.org](mailto:info@VillageEnterpriseFund.org) or call 1-800-785-1775.

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