



## Growing Businesses with Loans and Determination



Photo: Carlos Cisneros

USAID has invested over \$9 million to expand financial services to the rural poor in El Salvador. This has resulted in forty-eight sites that serve almost 74,000 rural clients including Agustina Urbina who used the loans to purchase a permanent location for her growing business.

Agustina Urbina, Ernesto Flores and Uber Elias Cruz all share a common history - several years ago each sought financial assistance to help improve their families' lives. Loans are hard to obtain by the working poor in El Salvador. All three were involved in very small business activities and needed more working capital to generate additional family income.

They each approached Adel Morazan Creditos (AMC), one of eleven finance institutions assisted by USAID, for a loan. AMC loan officers use appraisal techniques developed with USAID to analyze the prospective client's business plan, and ability to repay the loan. Clients are then offered a loan based on a few household items as collateral.

Agustina received \$571 as her first AMC loan to purchase items that she sold on the streets of Pasaquina Village. Her sales increased and she repaid the loan on time which allowed her to obtain additional loans. Agustina now has a business making a special candy of sweet corn flour served with syrup on top - called "hojaldre" in Spanish. Today, she is repaying her fourth loan of \$1,143 and her assets have grown to \$2,300. Her monthly sales have increased to \$1,800 which has led to a better income and enabled her to purchase a permanent location for her growing business. She is now using her business earnings to build her own house.

Photo & Caption