Learning from Clients
Assessment Tools for Microfinance Practitioners

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The Small Enterprise Education and Promotion Network
Learning from Clients:
Assessment Tools for Microfinance Practitioners

The SEEP Network

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Foreword

This tools manual, Learning from Clients: Assessment Tools for Microfinance Practitioners, has been a long time coming. We think it is worth the wait. As is obvious by its sheer size, this manual contains a wealth of material to guide those seeking to apply the client assessment tools it describes. But the uniqueness and real strength of the tools lie in the vision—shared by donors, evaluation researchers, and practitioners—that guided their development. A sometimes disparate group, represented by USAID, the AIMS (Assessing the Impact of Microenterprise Services) Project team, and the Small Enterprise Education and Promotion (SEEP) Network, came together to agree that the field needed a mid-range approach to impact assessment that is cost-effective, useful, and credible. The tools and their use, described in great detail in this manual, are the outcome of that inspirational collaboration.

At its inception in 1995, USAID’s AIMS Project was a minority voice defending the value of impact assessment in microfinance. Improving institutional performance, gaining access to capital markets, and achieving scale are some of the themes that eclipsed impact assessment at that time. Six years later, we are pleased to report a marked shift in attention to and interest in understanding the actual impact that microfinance programs are having on clients. The AIMS Project has been actively cultivating this renewed focus on clients through evaluation-related research that spans a wide range of approaches—from “high tech,” large-scale, longitudinal studies in three continents to the practitioner-friendly tools described in this manual.

These tools represent a breakthrough of sorts. Formerly, the discourse on impact assessment in microfinance was primarily between the donors, policymakers and researchers. The former funded them; the latter did them. The practitioners’ role was largely passive. Most impact assessments were marked by a dichotomy: large scale, rigorous, and costly or low cost, methodologically weak, and of questionable validity. Seeking to fill a gap in the territory of the middle ground, the AIMS Project has brought practitioners to the table to articulate their needs and has encouraged researchers to adapt their methods to go “down market.”

Today, impact assessment is no longer peripheral to the field of microenterprise development. The audience is the industry broadly defined—practitioners, donors, policymakers, and researchers. Dual goals are driving the growing interest in the new world of impact assessment in microfinance—traditional accountability to donors and other stakeholders on
the one hand, and improved program management (including services and products) on the other. As recipients of grant funds, microfinance institutions (MFIs) often are required to prove that their programs are contributing to the donors’ strategic objectives and that the funds have been “well spent.” At the same time, practitioners’ interest in ensuring that their products and services are responsive to clients’ needs indicates a management purpose for impact assessments. The AIMS tools meet both of these objectives.

It is important to take note of the lengthy and in-depth process of consultation and field testing, reflection, and improvement that has led to the product contained in this manual. The process was led by a core team of SEEP Network private voluntary organization (PVO) practitioners. It was supplemented by the guidance of AIMS researchers and USAID, and it engaged nongovernmental organizations (NGO practitioners of microfinance in six sites around the world) as testers, trainees, and early users. Out of this pooling of diverse experience, skills, and sheer hard work has emerged a document that offers several critical advances in the practice of mid-range impact assessment:

- Detailed guidance—written by and for practitioners—for planning and implementing impact assessments and for analyzing all data generated;
- A coherent set of quantitative and qualitative tools that address the most common hypotheses that undergird microfinance programs;
- Clear explanations of indicators and measures used, along with supplementary discussions of additional sets of potential interest to individual users, and
- Methods that provide information on impact and client satisfaction and that result in specific feedback for program improvement.

In short, the manual offers practical, detailed, step-by-step guidance to interested and committed organizations willing to invest staff time and a moderate amount of financial resources to gain a deeper understanding of their programs. What it does not purport to be is easy. But for readers willing to invest their intelligence and energies, the manual can offer significant rewards. One early collaborator, the Organizacion de Desarrollo Empresarial Femenino (ODEF), for example, was able to document that its existing clients had significantly larger sales volumes, profits, and savings than those just entering the program, a result that increases with time spent in the program. Having also identified divergence between staff and client assumptions about program efficacy, the organization introduced new loan products (emergency loans and fixed asset loans), along with more attractive policies and procedures (reduction in fees, more flexible terms and conditions) aimed at increasing client loyalty to the program.
In closing, we acknowledge and celebrate the contributions of the many talented individuals who have been involved in this effort, particularly those from the SEEP Network’s Evaluation Working Group who designed the tools package and implementation protocols. We also acknowledge those from the microfinance institutions in Honduras, Mali, Bolivia, Peru, the Philippines, and Eastern Europe who have used them and advised on their improvement; those individuals include Helen Todd (CASH POR), Iris Lanao (FINCA in Peru), Miguel Navarro (ODEF in Honduras), Carmen Velasco (ProMujer in Bolivia), Madame Ballo (Kafo Jiginiew in Mali), Liz McGuiness (Save the Children) and Suzy Salib (Opportunity International), as well as their staff who spent long hours in the field with us. Carolyn Barnes of Management Systems International (MSI) has served as a faithful reader and advisor to the manual’s writing team. Her expertise and objective insights have improved the quality of this product. Finally, our sincere thanks go to USAID missions in Peru and ENE for their financial and logistical support of our efforts to apply these tools. Creating this manual has truly been a global endeavor, combining some of the best talent working on impact issues in the microenterprise field today.

Experience has already shown that this manual serves as a template to be adapted; we welcome new versions of the tools, as well as recommendations for improvement. We expect that learning about impact assessment in the microfinance field will accelerate as others build upon the work offered here; and with it will come greater insight about the outcomes of microenterprise development as practiced today, as well as how to improve it. Together, let us use this fine work to stimulate further initiatives in impact assessment, and let us use the results to deliver improved services to our customers—the poor, who deserve only the best.

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Monique Cohen
USAID
Chapter 1
Introduction

1.1 From Impact Assessment to Market Research

1.2 The SEEP approach

1.3 The tools

1.4 Using the tools
Learning from Clients: Assessment Tools for Microfinance Practitioners is a manual to help practitioners assess their clients. Its core is a set of five assessment tools that practitioners can use to gather information about their programs-information that is useful for impact assessment, market research, and improving program products and services. Accompanying the tools are step-by-step instructions for using them, starting with initial preparations and ending with data analysis. The manual was developed by the SEEP Network as part of the PVO (private voluntary organization) and NGO (non-governmental organization) component of the larger AIMS (Assessing the Impact of Microenterprise Services) project funded by USAID.¹ It was developed by and for practitioners and, as such, responds to the particular needs and challenges they face in determining how their programs and services are affecting their clients.

1.1 From Impact Assessment to Market Research

One of the first challenges is to answer the basic question: Why assess impact? In the context of the rapid growth and evolution of the microfinance industry, this question is not a simple one, and its answer has not always been obvious. Some contend that determining impact—the causal link between program interventions and observed changes—is simply too difficult to do with any credibility. Some leaders in microfinance, including donors, have argued that specific efforts to measure impact are not necessary because microfinance programs are self-evaluating. This line of thinking contends that the success of any program is best measured by its financial performance—growth and quality of the loan portfolio, client retention, and profitability. If clients keep coming back, they value the program; and if the program continues to serve clients efficiently and profitably, it obviously is doing a good job.

However, accepting program performance and growth as proxies for impact probably tells us more about the lender than the borrower. Similarly, the current industry search for "best

¹ The Small Enterprise Education and Promotion (SEEP) Network is an association of more than fifty U.S. and Canadian NGOs that work with hundreds of local organizations throughout the world on microenterprise development. SEEP engages in research, documentation, and training activities aimed at improving member practice. Other partners in the AIMS Project were Management Systems International, Harvard University, and the University of Missouri.
practices” is oriented toward institutional performance rather than the best possible outcomes for poor families. Yet, many practitioners of microfinance are keen to understand their clients. Committed to the related goals of poverty alleviation and development, they need to know what difference their programs are making and for whom. To ensure progress toward their overall goal, practitioners need answers to the following five questions:

1. Who are the program’s clients?
2. Are clients benefiting from participation in the program?
3. When does impact occur?
4. Where does impact occur? For the individual? In the enterprise? In the family/household? In the community?
5. Are the program’s products and services the right ones for these clients?

The desire to understand clients is expanding practitioners’ agenda beyond impact as they look from what has occurred in the past to what should change in the future. Gaining an understanding of how clients interact with microfinance products and services will help practitioners evolve their programs in response to clients’ preferences and needs. Achieving this end involves more than identifying change and linking it to program participation; the process of understanding clients spans a continuum from impact assessment to market research.

Why market research? Growing acknowledgement of the importance of understanding clients and their needs—even by those who embrace institutional performance as the best indicator of program impact—is largely motivated by a commercial concern for the bottom line. Today, microfinance institutions (MFIs) are businesses that, in several countries, are competing with others for the same clients. Although programs have long realized the financial benefits of holding onto existing clients, they no longer can take for granted their ability to do so. In some countries, the rate at which clients leave programs is much higher than ever anticipated. As a result, MFIs are interested in market research that will help them better understand what their clients need and how best to serve them—to keep existing clients and attract new ones. SEEP’s approach, detailed in this manual, contains elements of market research that build on practitioners’ traditional strengths in listening to and learning from their clients. These elements of market research have the dual goals of proving program effects and improving program services.
1.1.1 Determining Impact

Located on one end of the client assessment continuum (see Figure 1-2), the concept of impact consists of two interwoven threads: 1) the changes that occur in clients’ lives, their enterprises, their families/households, and their communities; and 2) the extent to which the identified changes are related to clients’ participation in the microfinance program.

Establishing impact essentially is making a credible case that the program led to the observed or stated changes, meaning that the changes are more likely to occur with program participation than without program participation. It does not imply that the changes always occur from program participation. Rather, establishing impact increases the probability that the changes will occur as a result of program participation (Rossi, 1989).

However, the type of change we are looking for can occur for multiple reasons, many of which are not related to program interventions. Figure 1-1, “A Simple Impact Assessment Model”, shows how these factors can influence program impact and highlights the challenges of definitively attributing observed changes to program participation.

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**Figure 1-1**

**A Simple Impact Assessment Model**

<table>
<thead>
<tr>
<th>Agent (Project or Program)</th>
<th>External Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Impacts</strong></td>
<td></td>
</tr>
<tr>
<td>Mediating Variables</td>
<td></td>
</tr>
</tbody>
</table>

**Mediating Variables:** Factors that enhance or constrain opportunities for change but are not directly linked to the program intervention, such as gender of client, number of household members, and price of enterprise inputs.

**External Factors:** Phenomena that cause or lead to changes, irrespective of the program, such as an increased level of household income due to increases not associated with the client’s activities, or macroeconomic conditions.
1.1.2 Towards Market Research

Given these challenges, some argue that impact evaluation requires rigorous academic research that meets established standards of evaluation practice. Yet, such research is both too costly and impractical for most practitioners. Focusing on how clients use and benefit from program services, program managers need information that is relevant, timely, and attainable. They need rapid feedback to respond to market changes, new economic opportunities or short-term disruptions linked to natural and civil crises. In short, research activities along the entire continuum are needed to respond to different constituencies. Figure 1-2 indicates where the AIMS-SEEP tools fit on this continuum.

Figure 1-2  
Client Assessment Continuum

<table>
<thead>
<tr>
<th>IMPACT EVALUATION</th>
<th>MARKET RESEARCH</th>
</tr>
</thead>
<tbody>
<tr>
<td>longitudinal, multi-year</td>
<td>rapid assessment</td>
</tr>
<tr>
<td>large sample sizes</td>
<td>client feedback</td>
</tr>
<tr>
<td>control groups</td>
<td>client preferences</td>
</tr>
<tr>
<td>complex analysis</td>
<td>client decision-making</td>
</tr>
</tbody>
</table>

Of the five tools outlined in this manual, only two focus on identifying actual impact of program interventions. Although each of the remaining three have specific objectives, they address questions about how clients manage financial resources, how they use program services, and their level of satisfaction with those services. As indicated in Figure 1-2, these practical questions place the AIMS-SEEP tools in the middle of the client assessment continuum.

1.2 The SEEP Approach: Responding to the Challenge of Practitioner-Led Client Assessment

The high standards of academic research are beyond the reach of most practitioners. Their challenge is to find an acceptable balance between the quality of an impact assessment
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(credible, objective, valid, and thorough) and its cost (measured by time, financial resources, and expertise). This is the task that the SEEP Network took on in designing the tools in this manual. The SEEP team has tried to convey the basic standards of impact assessment to adequately guide the users of these tools.

1.2.1 Concepts Underlying the Approach

At the time the SEEP Network began this work in 1996, it took an approach with three underlying concepts: (A) the client assessment must be relevant, (B) the assessment exercise must be feasible for practitioners, and (C) the approach must address the challenges of credible, quality assessment.

A. The Client Assessment Must Be Relevant

The first concept demands that the client impact assessment must be relevant to what practitioners want and need to know. SEEP believes that two basic questions define the desired relevance:

1. What is the effect, or impact, of program services on clients?
2. How can the program be improved?

In short, practitioners want to prove the value of their intervention, and they want to improve the performance of their programs. This definition of relevance has led SEEP to combine strong elements of classic impact assessment with a market research component.

B. The Exercise Must Be Feasible for Practitioners

The second guiding concept focuses on the feasibility of the assessment. SEEP is committed to an overall approach that offers simple and cost-effective strategies for busy and cost-conscious practitioners. The team made many decisions to balance feasibility of implementation with credibility of results. Because the five tools presented in this manual can
be used in any combination that corresponds to program resources, the approach can be adapted to meet a range of costs, skills and time.

**C. The Approach Must Address the Challenges of Client Assessment**

The third concept is that the approach must address the principal challenges to practitioner-led assessment: focus, skills, objectivity, and attribution. Balancing quality and costs, SEEP has addressed each of these challenges, as outlined on the next page.

**Focus:** To ensure a focus on the most important issues of client assessment, SEEP convened a diverse group of its member agencies to select a set of hypotheses that reflects their priorities. The tools are designed to test only these hypotheses. (However optional and alternative hypotheses are available in Chapter 4-C and 4-D, respectively)

**Skills:** Before carrying out the evaluation, the staff undergoes intensive training and is closely supervised during the event.

**Objectivity:** Four factors in the approach ensure objectivity: (1) the evaluation team is thoroughly trained prior to collecting data and well-supervised during the process; (2) program staff carry out the evaluation but do not interview those clients with whom they work directly; (3) random sampling is used to select sites and clients for the evaluation; and (4) quality control of the data is done both in the field and again before analysis.

**Attribution:** The approach allows users to develop credible associations between what they have done and the results they perceive, rather than to attempt to prove causality. A comparison group of incoming clients who have not received program services lends greater credibility to the results.

\(^2\) It is impossible to definitively prove impact. Rather, the goal is to present a credible case showing that the changes are associated with program participation. When used in this manual, the word prove is a code word for that linkage.
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Some will contend that these steps are not sufficient to guarantee objectivity, ensure quality data collection, or link inputs with results. However, based on what practitioners need from a client assessment, and how they use its results, AIMS-SEEP accepts some basic differences between a “scientific” assessment and one that is feasible for practitioners to implement and learn from (see Figure 1-3, Scientific vs. Practitioner Assessment).

**Figure 1-3**

**Scientific vs. Practitioner Assessment**

<table>
<thead>
<tr>
<th>Scientific Assessment</th>
<th>Practitioner Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attribution</td>
<td>Credible association</td>
</tr>
<tr>
<td>Rigor</td>
<td>Consistent, coherent</td>
</tr>
<tr>
<td>Controls</td>
<td>Comparison</td>
</tr>
<tr>
<td>Complex</td>
<td>Simple</td>
</tr>
</tbody>
</table>

1.2.2 The Process Behind the Approach

The first step in designing an evaluation approach by and for practitioners was to convene members of the SEEP Network to determine the practitioners’ needs and priorities for evaluation tools. This evaluation working group debated the purposes of a practitioner-led assessment, its focus, and its necessary characteristics. Working with AIMS researchers and the conceptual model of the family/household economic portfolio (see chapter 2), members achieved consensus on hypotheses and related indicators that would serve as the basis for the tools design. Many of the conceptual underpinnings outlined above result from their experience and contributions.

A smaller design team, composed of staff from SEEP member agencies, developed drafts of both quantitative and qualitative tools, which were vetted through SEEP’s evaluation working group. The design team eventually selected a set of five tools: Impact Survey, Client Exit...
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Learning from Clients: Survey, Use of Loans, Profits and Savings Over Time, Client Satisfaction interview, and Client Empowerment.

Finally, the tools were tested in two sites: with the ODEF (Organizacion de Desarrollo Empresarial Femenino) in Honduras in September 1997 and with Kafo Jiginiew in Mali in March 1998. Reports from these two field tests are available from the AIMS project. The tools underwent significant revisions based on these two experiences and have since been adapted and used by practitioners in Peru, Bolivia, Morocco, Ivory Coast, the Philippines, and Eastern Europe.

1.3 The Tools

The SEEP team settled on the following set of five tools—three qualitative and two quantitative—all of which are included in this manual (see chapters 4 through 8).

**Tool 1: Impact Survey**

The principal quantitative tool in the set, the Impact Survey, comprises thirty-seven questions that test all of the SEEP hypotheses. It is administered to a sample group of clients and a comparison group. To simplify the task of selecting the latter group, the team made an innovative decision to use a random sample of incoming clients—those who have chosen to join the program but who have received no services to date. The assumption is that those choosing to join the program are similar to existing clients in terms of demographic characteristics, motivation, and business experience, and thus offer an appropriate and easily identified comparison group.

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4 A report entitled Guidelines for Microfinance Impact Assessments (Barnes & Sebstad, 2000) discusses the pros and cons of not including clients who have left the program.
Tool 2: Client Exit Survey

This short survey, a quantitative tool, is administered to clients who recently have left the program. Its purpose is to identify when and why clients left the program and what they think its effect on them has been, as well as its strengths and weaknesses. Practitioners like this tool because it is simple to use and provides valuable information. Many now use it regularly, as part of a program monitoring system.

Tool 3: Use of Loans, Profits and Savings Over Time

This qualitative tool is an in-depth individual interview focusing on how the client has used his or her loans, business profits and savings over time. Its multiple purposes include determining how loan use and allocation decisions change over time, as well as documenting changes in the individual borrower, enterprise, family/household, and community that are associated with participation in the program.

Tool 4: Client Satisfaction

This qualitative tool is a focus group discussion that explores clients’ opinions—what they like and dislike—of specific features of the program, as well as their recommendations for improvement.

Tool 5: Client Empowerment

This qualitative tool focuses on women clients and uses an in-depth interview to determine if and how women have been empowered by their participation in the program. Clients are asked a series of questions about themselves, their enterprise, their family/household, and their community at different points in time (past and present). The tool includes a methodological option to use self-portraits as a way to initiate this discussion.
1.4 Using the Tools

1.4.1 ADAPT!

Overall, this set of five tools offers many possibilities to the user. Although each tool complements the others, and although all tools have been tested as a set, they can be used individually or in any combination. Some institutions are starting from scratch and are looking for a whole approach to client assessment; others already have a sophisticated monitoring and evaluation system in place and are interested only in one specific tool. A priority on improving services over identifying specific impacts (and vice versa) will influence which tools are used. This manual supports such a modular approach to the tools; each tool has its own chapter, which contains the tool itself and a complete step-by-step guide to its application.

That said, these are NOT “off-the-shelf” tools. The first rule with all of them is “ADAPT!” As written, the tools serve as solid, tested models; but they are not ready-made for all situations. Each tool must be adapted to the specific circumstances in which it will be applied. These adaptations will vary from slight changes in wording of the questions or their pre-coded answers to significant alterations in the methods proposed for administering the tools. As long as these adaptations retain the sound practices and standards for evaluation that are incorporated in the original, the results will be just as valid and the adapted tools will contribute to the growing body of practical experience on impact evaluation.

While exploring the tools in this manual and considering their relevance to the evaluation needs of your program, stay focused on what it is you want to know. Keep your “eyes on the prize”—that is, design your assessment—choose the tools and adapt them to meet your needs and to ensure that the job gets done. Even though these tools reflect many decisions in favor of simplicity and feasibility, it is still easy to get carried away by the desire to gather more data than you can use.
1.4.2 Use the Findings to Help Manage the Program

Each of the tools in this manual helps you collect distinct kinds of information ranging from impact to client feedback that is part of market research. Figure 1-4, “Impact Assessment and Client Satisfaction”, distinguishes the two categories of information. While you may need assessment results to answer to donors, politicians or other stakeholders, the findings can and should inform your own managerial decisions. Experience has demonstrated that the combination of program impact with elements of market research is useful to program managers who want to maintain or improve program performance (measured by quality, growth, and income) by maximizing its effectiveness.

**Figure 1-4**

**Impact Assessment and Client Satisfaction**

<table>
<thead>
<tr>
<th>Impact Assessment Tells Us</th>
<th>Client Satisfaction Tells Us</th>
</tr>
</thead>
<tbody>
<tr>
<td>• How client enterprises have evolved (scale, skills, income, assets);</td>
<td>• Client perceptions of how loan products and services suit their needs; and</td>
</tr>
<tr>
<td>• Whether changes are evident in family/household welfare (housing, education, assets, diet); and</td>
<td>• How a program’s products and services can better serve client’s needs.</td>
</tr>
<tr>
<td>• Whether identified changes can be linked to participation in the program.</td>
<td></td>
</tr>
</tbody>
</table>

| How length of program participation is associated with impact. | W hich clients leave the program; |
| W hen clients typically leave the program; | W hy clients leave; and |
| If and why clients would return. | |

| How loan size and terms are associated with impact. | Clients’ perception of loan product features. |
While this set of tools integrates assessment with market research on clients' reactions to the program in order to improve it, every finding does not necessarily indicate a needed change in the program. On the impact side, some results, particularly negative or neutral ones, may be influenced by the economic environment (for example, limited markets)—something that program services cannot address. On the client satisfaction side, clients will commonly express dissatisfaction with aspects of the credit methodology that may be in place explicitly to reduce the lender's risk and therefore cannot or should not be changed. When findings from both sources of inquiry converge and reinforce each other, however, change is clearly indicated. Figure 1-5 describes such a situation with the Mali test results.

**Figure 1-5**

**Loan Size in Mali**

When evaluation findings indicated that enterprise returns were as much as six times higher in towns than in small villages for clients having participated in the program the same amount of time, management was propelled to consider different loan policies for urban and rural credit associations. For town-based clients, larger loan sizes, both in the first and subsequent loans, may help them expand faster, taking advantage of the commercial opportunity in the area. In addition to responding to clients' demands, this change would produce higher program revenues from towns that could partially subsidize outreach to more remote villages where loan sizes need to be lower.
Figure 1-6, “Potential Managerial Decisions Motivated by Evaluation Findings”, summarizes some of the changes indicated by assessment findings from Honduras, the Philippines and Bolivia.

### Figure 1-6.

**Potential Managerial Decisions Motivated by Evaluation Findings**

<table>
<thead>
<tr>
<th>ODEF (Honduras) - 1998</th>
<th>ASHI (Philippines) - 1999</th>
<th>ProMujer (Bolivia) - 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Direct Changes</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| 1. ODEF introduced new loan products including emergency loans for current clients, consumer loans and, after Hurricane Mitch in 1998, renovation loans. | 1. Assessment findings suggest potential for several new loan products including:  
   a) Fixed asset loans;  
   b) Family loans on which husbands could draw to upgrade their transport and fishing businesses;  
   c) Home repair loans-ASHI learned that its clients are putting large amounts of money into home renovation. In order to retain this capital for productive uses, ASHI might consider allowing earlier and easier access to House Repair loans to clients in good standing. | 1. ProMujer hired a nurse practitioner to staff its centers upon learning that clients were not accessing health services. |
| 2. In response to client complaints about supervision from credit officers, ODEF has become more flexible about the client load that credit officers are expected to carry; it now recognizes that overall program performance can be compromised by a sole focus on efficiency. | 2. Concerned about clients’ debt burdens revealed by the assessment, ProMujer offered a new training program on debt to help clients understand the implications of borrowing more than they can repay, and in particular how the credit bureau works. | 2. Concerned about clients’ debt burdens revealed by the assessment, ProMujer offered a new training program on debt to help clients understand the implications of borrowing more than they can repay, and in particular how the credit bureau works. |
| **Indirect Changes**   |                           |                           |
| 1. Management introduced a thorough retraining for staff to correct their inconsistencies in applying program policies, which they learned about only as a result of intensive exposure to clients during data collection. | 1. Although ASHI encourages graduation to larger loan sizes, it discovered that field managers often reduce the size of loan requests. Given the evident need for and benefits of larger loans, ASHI needs to understand the barriers clients face in trying to borrow the amounts they need. | 1. Management shifted staff via promotions and demotions to achieve a better fit of tasks and individual skills. |
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The actions suggested by assessment results highlight the practicality of this approach. It enables managers to quickly get information that is directly relevant to decisions they face about program policies and operations. In addition, experience to date has shown that, once assigned to new geographic and programmatic areas for data collection, both managers and staff learn about aspects of the program they do not know well from their daily work and thus gain new understanding and insights that influence their thinking.

To provide an understanding about the starting point for the tools design team, the next chapter outlines both the conceptual framework and the specific hypotheses that guided the SEEP team. Chapter 3 provides an introduction to quantitative and qualitative methods, including guidance for interviewers that applies to all the tools. Chapters 4 through 8 each are dedicated to a distinct tool. Chapter 9 provides information about scheduling a tools application, while the appendices provide guidance on topics such as reporting on the findings and using applicable computer software.
Chapter 2

The AIMS-SEEP Impact Assessment Process

2.1 The Conceptual Framework

2.2 The SEEP Hypotheses

2.3 Matching Tools with Hypotheses
The AIMS Impact Assessment Process

Good impact evaluations are grounded in a conceptual framework that provides a kind of road map to the paths of impact. The SEEP Network benefited from the conceptual framework elaborated by AIMS researchers to assess how microenterprise programs contribute to enterprise stability and growth, family/household security, individual well-being, and the economic development of communities (Sebstad, et al., 1995). The concepts articulated in this framework suggest numerous propositions or hypotheses about the types of impact and changes made possible by microenterprise interventions.

In addition to these impact hypotheses, SEEP integrated a focus on client satisfaction in response to its mandate to develop an approach to client assessment for practitioners. Because how a program is implemented can affect its ultimate impacts, practitioners need to learn from their clients whether the program is “working” for them and how it might be improved. The goal is to combine client impact and client satisfaction information to account for and ultimately improve program impact.

This chapter explains the conceptual framework underpinning SEEP’s choice of hypotheses; it also distinguishes impact and client satisfaction to help users fully understand the two fundamental elements of this approach; and finally, it highlights its managerial implications.

2.1 The Conceptual Framework

The AIMS conceptual framework places the family/household at the center of its analysis.¹ Because the microenterprise is firmly embedded in the family/household, especially among poorer families, searching for impacts requires an examination of the full range of family/household economic activities. How the microenterprise fits into overall economic strategies depends on the following factors:

The composition of the family/household, which will vary in different locations and cultures. Family/household composition and relationships affect how microenterprises are managed, as well as how their benefits are allocated. It is therefore important to understand the nature of family/households within the program’s communities as a foundation for determining where and how impacts might appear.

Decision-making within the family/household about investments and the selection of productive activities. Some decisions are made jointly by husband and wife (or other combination of adults managing the family/household); others are made separately. How resources flow into the family/household and who controls them are affected by gender, age, and status; such issues can generate cooperation or conflict affecting, in turn, both the outcomes and beneficiaries.

How the family/household is linked externally to larger social networks through which it gives and receives resources.

Because the microenterprise is intimately connected with the family/household, it cannot be analyzed as a separate, distinct entity. The framework posits that impact occurs in different areas connected to the family/household:

- At the family/household level, microenterprises contribute to net increases in family/household income, asset accumulation, and labor productivity. Income invested in assets such as savings and education increases family/household economic security by making it possible to meet basic needs when the flow of income is interrupted.

- At the enterprise level, impact is represented by changes in income, employment, assets, and volume of production.

- At the individual level, change is measured by the clients’ capacity to make decisions and investments that improve business performance and personal income, which in turn, strengthen the family/household economic portfolio and often translate into personal empowerment.
Chapter 2

- At the community level, microenterprises can provide new employment opportunities, stimulate backward and forward linkages to other community enterprises, and attract new income from outside the community. To the degree that the poor benefit from such increased economic activity, microenterprise interventions can have additional equity impacts.

These relationships clarify paths of impact by which microenterprise interventions can contribute to the goals of poverty alleviation and economic growth:

- Family/households improve their economic security;
- Enterprises become more stable and even grow;
- Individuals increase their control over resource allocations and improve their well-being; and
- Communities develop economically through enterprise activity that provides goods and services, attracts income, and creates jobs.

To assess change within these pathways or relationships, the framework defines “domains of impact” at each level, which are portrayed in Figure 2-1. Within each domain, markers of change, or indicators, must be identified to measure impact. For example, at the level of the enterprise, financial change can be measured by changes in income or business assets. These markers of change can function alone as an indicator of impact, or they can be assessed in combination to capture such things as (1) the movement of family/households toward (or away from) greater economic security, (2) the progression of enterprises between stages of development, (3) changes in individual well-being, and (4) changes in community development.
Figure 2-1

AIMS Conceptual Framework:
Levels and Domains of Impact

Community Level
Domains of Development (4)
- Employment and Income
- Forward and Backward Linkages

Household Level
Domains of Household Security (3)
- Income
- Expenditures
- Assets

Enterprise Level
Domains of Development (5)
- Resource Base
- Production Process
- Management
- Markets
- Financial Performance

Individual Level
Domains of Well Being (3)
- Control of Resources
- Leverage in Decision Making
- Community Participation

- Social Networks
- Civic Participation
2.2 The SEEP Hypotheses

**Figure 2-2**

**What is a Hypothesis?**

“In terms of project design, [a hypothesis] refers to a presumed correlation between outputs (causes) and effect, and between effect and impact. For example, a common hypothesis is that the provision of sources of clean water will lead to a reduced incidence of water-borne diseases. If a hypothesis cannot be accepted (e.g., by citing research literature or evaluations of projects where this hypothesis was proven under essentially similar conditions), it may need to be tested as part of a project’s evaluation design.”

Barton, Tom. (1997). Guidelines to Monitoring and Evaluation: How are we doing?

This conceptual framework suggests a long list of hypotheses about the impact of microenterprises on family/households, individuals, and communities. Using this list as a starting point, the SEEP Evaluation Working Group debated, defined, and selected a set of hypotheses that members believe are the most relevant for a broad range of practitioners. These core hypotheses are outlined in Figure 2-3, The SEEP Impact Hypotheses. Together, the tools use practical, meaningful, and valid indicators to measure change vis-à-vis each of these core impact hypotheses.

---


3 The hypotheses presented here are only one set of possible hypotheses that evaluators might want to test. They represent consensus among practitioners when SEEP began to design these tools.
At the enterprise level

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>E1</td>
<td>Increases enterprise income.</td>
</tr>
<tr>
<td>E2</td>
<td>Leads to changes in business practices associated with increased profitability.</td>
</tr>
<tr>
<td>E3</td>
<td>Assists clients to survive periods of reduced cash flow.</td>
</tr>
<tr>
<td>E4</td>
<td>Over a period of years increases enterprise assets.</td>
</tr>
<tr>
<td>E5</td>
<td>Leads clients to diversify economic activity.</td>
</tr>
</tbody>
</table>

At the family/household level

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>H6</td>
<td>Leads to increases in household income.</td>
</tr>
<tr>
<td>H7</td>
<td>Over the years leads to increases in household assets.</td>
</tr>
<tr>
<td>H8</td>
<td>Leads to increases in household welfare (in such aspects as education, housing, food security).</td>
</tr>
<tr>
<td>H9</td>
<td>Leads to an increase in the household’s effectiveness to cope with emergencies.</td>
</tr>
</tbody>
</table>

At the individual level

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>I10</td>
<td>Increases the entrepreneur’s ability to negotiate with others (suppliers, customers, landlords, family members).</td>
</tr>
<tr>
<td>I11</td>
<td>Leads to the client’s increased role in decision-making.</td>
</tr>
<tr>
<td>I12</td>
<td>Increases the client’s control over economic resources.</td>
</tr>
<tr>
<td>I13</td>
<td>Leads to increased personal savings.</td>
</tr>
<tr>
<td>I14</td>
<td>Increases confidence and self-esteem.</td>
</tr>
</tbody>
</table>

At the community level

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>C15</td>
<td>Leads to reducing problematic child labor in the enterprises of the clients.</td>
</tr>
<tr>
<td>C16</td>
<td>Leads to increased participation in community activities.</td>
</tr>
<tr>
<td>C17</td>
<td>Leads to increased paid and unpaid employment in the clients’ community.</td>
</tr>
</tbody>
</table>
Figure 2-4, “Markers of Change”, outlines a participatory exercise that can help clarify a program’s own impact pathways.

**Figure 2-4.**

**Markers of Change**

This is a participatory exercise that rapidly solicits the group’s observations about program impacts. It can also highlight consensus about what impacts are seen most often.

**Step 1:**
Distribute markers and approximately eight large-size (3” x 5”) stick-on notes to everyone present.

**Step 2:**
Create headings on a chalkboard or wall that read “Family/household Level,” “Enterprise Level,” “Individual Level,” and “Community Level.”

**Step 3:**
Starting with the “Family/household Level,” ask everyone to consider what two changes they see clients of the program experiencing at the level of the family/household.

**Step 4:**
Allow a few minutes and then ask people to come to the front of the room with one of the changes they have identified and post it under the heading.

**Step 5:**
Read through the answers and group common types of changes. Remove repeat responses. Ask people to add the second change they identified if they do not see it already listed. Repeat for each level. Summarize the major changes observed at each level.
2.3 Selecting Tools

The AIMS-SEEP tools can be used all together, individually, or in any combination. Many factors will influence which tools you decide to use and when you use them. In choosing tools you will have to answer:

- Who are our key stakeholders and what do they want to know?
- What are the hypotheses we want to test?
- Which tools focus on these hypotheses?
- What is the budget for this impact assessment?
- What is the time frame for collecting and analyzing data?

Any organization contemplating an evaluation must decide which impact domains and hypotheses are most relevant to its program. Although those proposed here reflect the consensus of a diverse group of practitioners, they need to be tailored (refined, reduced, or expanded) to reflect each program’s focus, clientele, and services. The greater the number of hypotheses one chooses to test, the more extensive the assessment effort will need to be. Figure 2-5 links each of the five AIMS-SEEP tools with the hypotheses it tests. Because each qualitative tool focuses on a subset of the hypotheses, consider choosing only those most relevant to your hypotheses. Although the Impact Survey tests most of the SEEP hypotheses, it is divided into seven modules so that users can choose to use only those that correspond to relevant hypotheses (See Chapter 4, Part D, “Adapting the Survey”).
### Figure 2-5
AIMS-SEEP Tools and the Hypotheses They Test

<table>
<thead>
<tr>
<th>TOOL</th>
<th>HYPOTHESES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Impact Survey</strong></td>
<td>E1: Increases enterprise income</td>
</tr>
<tr>
<td></td>
<td>E2: Changes in business practices associated with increased profitability</td>
</tr>
<tr>
<td></td>
<td>E3: Increases ability to survive periods of reduced cash flow</td>
</tr>
<tr>
<td></td>
<td>E4: Increases enterprise assets</td>
</tr>
<tr>
<td></td>
<td>H6: Increases income</td>
</tr>
<tr>
<td></td>
<td>H7: Increases assets</td>
</tr>
<tr>
<td></td>
<td>H8: Increases welfare</td>
</tr>
<tr>
<td></td>
<td>H9: Increases ability to cope with emergencies</td>
</tr>
<tr>
<td></td>
<td>I13: Increases personal savings</td>
</tr>
<tr>
<td></td>
<td>C15: Reduces problematic child labor in client’s enterprises</td>
</tr>
<tr>
<td></td>
<td>C17: Increases in paid/unpaid employment in client’s community</td>
</tr>
<tr>
<td><strong>Exit Survey</strong></td>
<td><strong>Tool tests NO impact hypotheses;</strong></td>
</tr>
<tr>
<td></td>
<td>Its purpose is to find out when and why the client left the program, as well as what its impact has been.</td>
</tr>
<tr>
<td><strong>Use of Loans, Profits and Savings Over Time</strong></td>
<td>E1: Increases enterprise income</td>
</tr>
<tr>
<td></td>
<td>E2: Changes in business practices associated with increased profitability</td>
</tr>
<tr>
<td></td>
<td>E3: Increases ability to survive periods of reduced cash flow</td>
</tr>
<tr>
<td></td>
<td>E4: Increases enterprise assets over time</td>
</tr>
<tr>
<td></td>
<td>E5: Increases diversification of enterprise activity</td>
</tr>
<tr>
<td></td>
<td>H6: Increases income</td>
</tr>
<tr>
<td></td>
<td>H7: Increases assets</td>
</tr>
<tr>
<td></td>
<td>H8: Increases welfare</td>
</tr>
<tr>
<td></td>
<td>I10: Increases the entrepreneur’s ability to negotiate with others</td>
</tr>
<tr>
<td></td>
<td>(suppliers, customers, landlords, family members)</td>
</tr>
<tr>
<td></td>
<td>I11: Increases client’s role in decision-making</td>
</tr>
<tr>
<td></td>
<td>I12: Increases client’s control over economic resources</td>
</tr>
<tr>
<td></td>
<td>I13: Increases personal savings</td>
</tr>
<tr>
<td><strong>Client Satisfaction Focus Groups</strong></td>
<td><strong>Tool tests NO impact hypotheses;</strong></td>
</tr>
<tr>
<td></td>
<td>Its purpose is to determine client satisfaction with program products and services, as well as solicit suggestions for program improvements.</td>
</tr>
<tr>
<td><strong>Client Empowerment</strong></td>
<td>I10: Increases the client’s ability to negotiate with others (suppliers, customers, landlords, family members)</td>
</tr>
<tr>
<td></td>
<td>I11: Increases client’s role in decision-making</td>
</tr>
<tr>
<td></td>
<td>I12: Increases client’s control over economic resources</td>
</tr>
<tr>
<td></td>
<td>I14: Increases client’s confidence and self-esteem.</td>
</tr>
</tbody>
</table>
Program managers who give priority to market-oriented information-client demand, client satisfaction, and unmet needs based on how clients use financial services—may be more drawn to the tools that provide more of that type of information: the Use of Loans, Profits and Savings Over Time; the Client Satisfaction Focus Group, and the Exit Survey. But if impact data is needed to demonstrate program effectiveness to Board members, politicians, donors, or community supporters, managers may be more interested in the Impact Survey, the Client Empowerment tool and the Use of Loans, Profits and Savings Over Time tool.

In addition to selecting tools that best serve the objectives of the client assessment, managers will have to consider the resources and time they can dedicate to the exercise, which can range from simple to complex. The impact survey yields the most wide-ranging data, offering quantitative analysis of impact on sample groups of clients and non-clients. For those drawn to quantitative data, it is the first and sometimes the only tool that is used. Yet, the survey is perhaps the most complex and time-consuming tool to use. Experience has demonstrated that it often requires the assistance and coordination of external technical expertise. For these reasons, some choose not to use it at all. Figure 2-6 contains two stories about how different organizations chose their tools.

<table>
<thead>
<tr>
<th>Figure 2-6</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Two examples of tools selection</strong></td>
</tr>
<tr>
<td><strong>ProMujer - Bolivia</strong></td>
</tr>
<tr>
<td>Since 1999, ProMujer has conducted two impact assessments. For the first one in El Alto (La Paz), staff used all five of the AIMS-SEEP tools after adapting them to better fit their program and assessment objectives (e.g., They changed the tools to measure the impact of ProMujer’s health education and health services component). However, for the second exercise with clients in Cochabamba, ProMujer staff chose only two of these tools—the Impact Survey and the Exit Survey. Several factors explain this choice: 1) Their priority was to demonstrate impact, and the organization had already obtained valuable program feedback from the first assessment; 2) they needed to collect and analyze data with less money and less time; and 3) based on the experience in El Alto, staff had designed their own tools to complement the two surveys.</td>
</tr>
<tr>
<td><strong>Fundacion 4i-2000 - Nicaragua</strong></td>
</tr>
<tr>
<td>This affiliate of World Vision conducted a client assessment in December 2000 using the Client Satisfaction Focus Group and the Use of Loans, Profits and Savings Over Time tools. The organization’s choice of these two tools was influenced by both its mission and its human and financial resources. Its goals were to determine the extent of client satisfaction, identify how to better serve clients, and learn how to remain competitive in an increasingly competitive market. The client satisfaction tool would not only serve these goals well—it was also feasible in terms of both the technical skill and logistical effort required to administer it. The Use of Loans, Profits and Savings Over Time, also easy to use, would enable the organization to understand both the clients’ financial strategies for investing program loans and the impact of those loans.</td>
</tr>
</tbody>
</table>
Chapter 3

Quantitative and Qualitative Methods

3.1 Quantitative? Qualitative? What is the Difference?

3.2 Quantitative Methods and the Quasi-experimental approach

3.3 Qualitative Research

3.4 Guidelines for Interviewing

3.5 Translating the Tools: Translating the Questionnaire into Local Languages

3.6 Sampling

3.7 Appendix 3.1: The Interviewee Data Form
Chapter 3

Quantitative and Qualitative Methods

As outlined in the previous chapter, the AIMS-SEEP approach to impact assessment by and for practitioners combines quantitative and qualitative techniques. The Impact Survey and Client Exit Survey are categorized as quantitative tools because they collect standardized information by asking exactly the same questions to clients or ex-clients and organizing their answers into quantifiable response categories. The individual Use of Loans, Profits and Savings Over Time and Client Empowerment interviews and the Client Satisfaction focus group discussions are qualitative instruments that gather more detailed information through a more flexible, in-depth dialogue with clients. AIMS believes that these two categories of tools are complementary, each providing different types of information that enable evaluators to gain a more complete, richer picture of impact than would be possible with only one.

This chapter's overview to quantitative and qualitative approaches presents the differences between the two techniques. It also offers guidelines for those aspects and tasks that are common to both quantitative and qualitative tools, such as interviewing tips, translation and field testing. The interviewers' roles and responsibilities for both quantitative and qualitative techniques outlined here apply to all the corresponding tools presented in this manual. Finally, Appendix 3.1 offers a useful form that evaluators should use with both quantitative and qualitative tools.

3.1 Quantitative? Qualitative? What Is the Difference?

This section explores the differences between quantitative and qualitative methods. One point of view is presented in Figure 3-1, “Quantitative versus Qualitative Indicators.”

Figure 3-1
Quantitative versus Qualitative Indicators

"More tends to be made of the distinction between qualitative and quantitative data than is warranted. Not everything that is important can be counted, and much that can be counted is not worth knowing. ... The quantitative-versus-qualitative debate is not an either/or question.... Within the context of USAID’s performance-based management systems, the choice of more quantitative or qualitative indicators involves trade-offs among practicality and cost, objectivity and comparability, and the directness or validity of the measure."

The quantitative approach, with proper sampling, allows for the measurement of many subjects’ reactions to a set of questions. Because each question has a limited set of answers, the results can be compared and analyzed statistically; they also can be generalized to a larger population within known limits of error (Warwick and Lininger, 1975; Patton, 1986). Qualitative methods provide the context within which one can more fully understand those results. They capture what people have to say in their own words and describe their experiences in depth. Qualitative data provides the texture of real life in its many variations; it gives insight into the reasoning and feelings that motivate people to take action. In short, quantitative methods are standardized, systematically obtained succinct responses from as many clients as possible. A qualitative approach provides greater richness and more detailed information about a smaller number of people (Patton, 1986). Which approach is more appropriate for any given evaluation exercise will depend on its specific objectives. Given the relative strengths and weaknesses of the two approaches and the varied purposes they serve, good-quality impact assessments increasingly employ both methods.

Figure 3-2, “Differences Between Qualitative and Quantitative Inquiry,” outlines some of the differences between qualitative and quantitative inquiry with examples from the tests of the AIMS-SEEP tools.¹

### 3.2 Quantitative Methods and the Quasi-Experimental Approach

In the early decades of evaluation and social science research, a quantitative, quasi-experimental design predominated, and many practitioners still associate good evaluation practice with this method. Drawing its basic statistical and experimentation techniques from agricultural research, this approach determines a program’s effectiveness through rigorous comparison of a “treatment” group (those receiving program services) and a “control” group (those not receiving services).² (Patton, 1986). The sample or standard survey is its most common data collection instrument. Experimental design does offer options that differ in the degree of rigor required in the selection and composition of these groups, but its “scientific” features include the following:

---

¹ Although the small sample sizes cited in this table were sufficient for the purposes of a test, an actual application of the tools to evaluate a program would require larger sample sizes. See chapter 4, part E, for guidance on sampling.

² For example, plant crops are pre-tested and then given different treatments. Post-test quantitative comparisons of growth or yield indicate the relative efficiency of the different treatments.
Chapter 3

- It is “deductive” in that specific research hypotheses and main variables are specified in advance of data collection;

- Respondents (both treatment and control groups) are selected according to random sampling methods that enable results to be generalized to the wider population targeted by the evaluation (for example, all program clients);

- Results are quantified and analyzed using tests of statistical significance that permit comparison of treatment and control groups, ideally with pre- and post-test measures.

These features provide findings with a high degree of credibility for many decision-makers. The weakness of the approach is the difficulty of establishing controlled conditions in the real world and its insensitivity to complexities and subtleties in human interaction (Stecher and Davis, 1987).
### Differences Between Qualitative and Quantitative Inquiry

<table>
<thead>
<tr>
<th>Qualitative</th>
<th>Examples from the tools tests</th>
<th>Quantitative</th>
<th>Examples from the tools tests</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower number of respondents.</td>
<td>Honduras and Mali, approximately 12 clients per individual tool and 6 focus groups.</td>
<td>Higher number of respondents.</td>
<td>In Honduras and Mali between 72 and 96 respondents were included in the Impact Survey.</td>
</tr>
<tr>
<td>Open-ended questions and probing yield detailed information that illuminates nuances and highlights diversity.</td>
<td>Use of Loans, Profits and Savings Over Time tool demonstrates the diversity and complexity of how clients vary their loan activities over time.</td>
<td>Specific questions obtain predetermined responses to standardized questions.</td>
<td>Impact survey results reported the percent of clients who believed their enterprise income had increased in the last year and whether significantly more clients than non-clients reported increases.</td>
</tr>
<tr>
<td>Data collection techniques vary.</td>
<td>Focus group discussions and in-depth individual interviews.</td>
<td>Relies on surveys as the main method of data collection.</td>
<td>Impact Survey and Client Exit Survey.</td>
</tr>
<tr>
<td>Control group not required.</td>
<td>In Honduras and Mali, only participants' views obtained.</td>
<td>Control or comparison groups required to determine program impact.</td>
<td>Comparison groups were composed of incoming clients who had not yet received program services.</td>
</tr>
<tr>
<td>More focused geographically (limited use of vehicles).</td>
<td>Specific locations identified for special characteristics; for example, urban vs. rural, vendors vs. manufacturers.</td>
<td>More dispersed geographically (more use of vehicles).</td>
<td>In Mali, three categories of communities (towns, large villages, small villages) with three categories of clients (one-year, two-year, and incoming).</td>
</tr>
<tr>
<td>More varied techniques in data analysis.</td>
<td>Simple content analysis is applied with the Use of Loans, Profits and Savings Over Time and Client Empowerment tools, with a focus on grouping similar responses.</td>
<td>Relies on standardized data analysis.</td>
<td>Use of Epi Info software to report descriptive statistics (prevalence and means) and to test for statistically significant differences between sample groups.</td>
</tr>
<tr>
<td>More suitable when time and resources are limited.</td>
<td>Interviews took one to two hours to conduct, but fewer were done.</td>
<td>Relies on more extensive interviewing.</td>
<td>Impact Survey takes 45-60 minutes with each client and done with large number; Client Exit Survey takes 25 minutes.</td>
</tr>
<tr>
<td>Qualitative</td>
<td>Examples from the tools tests</td>
<td>Quantitative</td>
<td>Examples from the tools tests</td>
</tr>
<tr>
<td>-------------</td>
<td>------------------------------</td>
<td>--------------</td>
<td>------------------------------</td>
</tr>
<tr>
<td>Empowering and participatory.</td>
<td>Asks for participants’ reflection on their experience.</td>
<td>Not empowering.</td>
<td>Areas of inquiry are predetermined.</td>
</tr>
<tr>
<td>Sampling depends on what needs to be learned.</td>
<td>Clients selected by key variables; for example, gender, time in program, type of loan obtained.</td>
<td>Sampling focus is on probability and “representativeness”.</td>
<td>Considerable effort to randomly select clients within stratified samples to ensure “representativeness” of results and comparability of sample groups.</td>
</tr>
<tr>
<td>Provides information on the application of the program in a specific context to a specific population.</td>
<td>In Honduras, the Use of Loans, Profits and Savings Over Time tool highlighted differences between individual and village bank clients.</td>
<td>More likely provides information on the broad application of the program.</td>
<td>In Mali, stratified samples clarified differences between rural and urban areas, but responses also pooled for general comparison to non-client group.</td>
</tr>
</tbody>
</table>

(Patton, 1990; Gosling and Edwards, 1995; Carvalho and White, 1997)
Of the two AIMS tools categorized as “quantitative,” the Impact Survey is more influenced by this tradition and approach. Within the basic framework of the quasi-experimental approach, SEEP has chosen the most practical options. To provide valid evidence of program impact, the survey addresses selected hypotheses and measures predetermined outcome variables. Survey results are quantified and comparisons made between randomly selected clients (the treatment) and a comparison group of incoming clients using statistical tests. While the Client Exit Survey also quantifies responses, its purpose is to systematically document the experience of ex-clients rather than test specific impact hypotheses.

The validity (accuracy) and objectivity of any quantitative-oriented evaluation will be highly dependent on the following five issues:

1. Whether its hypotheses, design, and findings are based on an in-depth understanding of the clients (or subject of evaluation, the treatment), the impact processes, and the possible effects of external factors;
2. Whether the sampling methodology is randomized and therefore likely to provide representative results;
3. The quality of the data collection instrument (the survey);
4. The quality of the data collection process, including interviewer technique and supervision; and
5. The quality of the analysis (including data coding, cleaning, inputting, and analysis).

Can practitioners, skilled in the daily routines of providing financial services to microentrepreneurs, possibly satisfy these criteria? Issue #1 above underscores the importance of tailoring the survey instrument to the specific program, its context, and the impact questions. Here, practitioners’ in-depth knowledge of their programs is a real comparative advantage. A challenge, on the other hand, is the common lack of formal research skills among program staff to effectively handle issues #2-5 above. Many of these skills are introduced in this manual. Guidelines for sampling are offered for each tool in subsequent chapters. In our experience, practitioners can follow these guidelines to construct a valid sample if they take the time. Because issue #3—he quality of data collection—is critical for both quantitative and qualitative methods, it is addressed in this chapter with general guidelines for interviewers and in each tool chapter with directions specific to that tool. Adapting the tools are addressed in each chapter, as is data analysis.
3.3 Qualitative Research

While quantitative research is considered by some to be the “scientific” approach to evaluation, others contend that qualitative research, rich in its exploration of experiences, opinions, feelings, and knowledge, tells us more about what is really going on. Three of the tools in the AIMS-SEEP set are qualitative. Each focuses on a specific impact. The “Use of Loans, Profits and Savings Over Time” tool tells how the client used a loan to pursue economic or other goals. The Client Empowerment tool seeks to understand the changes in clients’ self-esteem as a result of participation in the program. The Client Satisfaction tool identifies what clients like and dislike about the program in order to improve it. Each expands and enriches information also collected by the Impact Survey.

Qualitative instruments can take many forms, but those included in this manual are semi-standardized, open-ended interview guides to be used with individuals or groups. These guides contain a written list of questions that need to be covered with all clients in a particular order to reduce the likely variation among interviewers. Conducting these in-depth interviews requires many of the same skills and abilities of survey interviewing. There are, however, three critical differences:

- The in-depth interviewer must be able to probe more deeply, adding open-ended questions as appropriate to follow the line of the interview as it evolves with the respondent.
- In focus group interviews, the interviewer must be able to facilitate a small group process, ensuring that all participants have an opportunity to provide their thoughts and comments.
- The interviewer must be able to take copious notes, using the respondent’s own words as much as possible. Tape recording an interview is advised to help capture everything that is said.

Four methods, all of which are incorporated in at least one of the tools, are presented in this section: (1) individual interviews, (2) focus group interviews, (3) PRA techniques, and (4) observation.
3.3.1 Individual Interviews

A qualitative interview with an individual is based on a semi-structured interview guide or set of questions that explore a specific topic. These questions are “categorical” questions; each one targets a different category of information related to the topic. The interviewer asks all clients about each category of information. But with each question, explore the answers, seeking greater detail with more questions. These subsequent questions are also called “probing” questions. Categorical and follow-up, probing questions should elicit lengthy, detailed responses.

3.3.2 Focus Group Interviews

Focus groups are small groups of people (usually between six and twelve) who are invited to discuss a predetermined topic for a specific amount of time. (Gosling and Edwards, 1995; Butler, 1991) Typically the participants have knowledge and/or experience with the topic. If choosing individual clients to form a focus group, consider selecting those who are not afraid to speak up in a group and respect others’ right to participate. Programs using group lending methods, however, may find it more practical to use existing borrower groups as their focus groups. In such cases, select the groups to reflect the characteristics to have represented in your sample (such as rural vs. urban; gender, age). The number of groups selected to interview will depend in part on the diversity sought.

To facilitate a focus group, two people are required—a facilitator and a recorder. The facilitator leads the discussion, ensuring that it moves forward, stays focused on the topic, and involves everyone. The recorder writes down everything that participants say.

3.3.3 Participatory Rapid Assessment

Participatory Rapid Assessment (PRA) techniques (1) empower participants with control over the research process, (2) open communication, and (3) make evaluation research more interactive. (Narayan, 1996) To use these techniques successfully, a workshop setting is used rather than the individual interview. Workshop activities engage clients in the exploration of their ideas using drawing, stories, and theater, encouraging them to go deeper into their experiences and to challenge themselves to identify significant changes that have occurred in
Chapter 3

their lives as a result of program participation. The researcher must go where the client wants to go and enter the world of the client’s experience to “see” the program as the client sees it.

The Client Empowerment tool includes an option for using PRA in its application.

3.3.4 Observation

Observation is a key ingredient of all qualitative research. A researcher will interview or facilitate and observe, simultaneously. The purpose of observation is to try and confirm or elaborate on responses a client has provided in the interview.

Keen observation is an important tool for identifying apparent contradictions—those instances when what the client says in response to a question stands in marked contrast to his or her behavior or demeanor, to what you have heard informally about this client, or to his or her surroundings. Look for these indications and nonverbal cues that something is not quite right about the client’s response. Let your observations inspire your probing.

3.4 Guidelines for Interviewing

Many of the rules and techniques for collecting data through interviews are the same for quantitative surveys and qualitative in-depth structured conversations with individuals or groups. Survey interviewers administer the same set of questions in a consistent way to all selected respondents. Qualitative interviews, in contrast, seek more detail from respondents. While qualitative interviewers should follow a set of common questions, the answers they get lead them to probe in different ways for more information. This section presents a step-by-step guide to the interview process, rules governing good interviewing, and instructions for probing. While most of this information applies to both research methods, some differences are noted.

3.4.1 The Quantitative Interview

The key parts of the interview are (1) introducing the interview, (2) asking interview questions (the core interview), (3) ending the interview, and (4) conducting the post-interview. A guide to each of these parts is provided below. (Frey and Oishi, 1995)
Chapter 3

Introduce the Interview

- Introduce yourself by full name and identify the sponsor of the survey.
- Explain the purpose of the survey, what kind of information is being sought, and how it will be used.
- Verify that the right person has been reached.
- Stress the confidentiality of the interview, the voluntary nature of the client’s participation, the approximate length of the interview, and the fact that the client will have the opportunity to ask questions.
- Ask permission to proceed with the questions.

Ask Interview Questions

- Ask each question exactly as written.
- Listen actively to determine what is relevant.
- Record the answers in the boxes and other spaces provided for each question.
- Probe to increase the validity, clarity, and completeness of the response.
- Avoid any unnecessary or overly enthusiastic reinforcement, such as, “Oh, that’s very good!!”
- Never suggest an answer.

End the Interview

- Thank the respondent. Tell him or her again how important the information is that he or she has provided; that it will help the program to understand better its clients and how to serve them.
- Answer any questions or concerns the respondent may have about the interview or the content of the survey.

Conduct the Post-interview

- Proofread the completed questionnaire to find and correct errors, clarify handwriting, and add clarifying notes.
3.4.2 Interviewer’s Roles and Responsibilities

Survey interviewing is akin to a fine-tuned theatrical play, from its scheduling and costumes to the actual performance. The timing of an interview is very important; it should take place at a time of day that is most likely to be convenient to the respondent.

Your appearance can also help ensure positive and open communication. Consider how respondents might react to how you look; strive to dress in a simple, inconspicuous, and neat manner. (Warwick and Lininger, 1975)

But most important is the art of interviewing itself. It is true that the interviewer must ask the questions exactly as written, and in the order presented. That seems pretty clear and straightforward, so why call it an art? While following the rigid rules of asking the questions exactly as they are written, it is also important to keep the interview on a conversational level. The interviewer’s job is to maintain a comfortable rapport and to motivate the respondent to answer accurately and completely. To understand better why survey interviewing is an art, conduct the two exercises described in Figure 3-3, “Participatory Training Exercise: The Good Interviewer,” and Figure 3-4, “Participatory Training Exercise: What an Interviewer Should Not Do”; then study the following two checklists (Figures 3-5 and 3-6) that together make up the DOs and DON’Ts of good interviewing.

**Figure 3-3**
Participatory Training Exercise: The Good Interviewer

**Step 1:** Distribute markers and 8 large-size (3"x5") stick-on notes to everyone.

**Step 2:** Create a heading on a blackboard or wall that reads, “Characteristics of a Good Interviewer.”

**Step 3:** Explain that the interviewer plays a critical role for establishing the tone of the interview and ensuring that the respondent provides as complete and accurate information as possible. Ask everyone to write down two characteristics of a good interviewer.

**Step 4:** Ask people to come to the front of the room and post one of their positive characteristics.

**Step 5:** Read through the answers and group the characteristics. Remove repeats. Ask people to add the second characteristic if they do not see it already posted. Repeat for each level. Summarize the characteristics in terms of how they relate to communicating the questions, motivating respondents to cooperate, and probing for complete answers. Complete recording of the responses.


**Figure 3-4**

**Participatory Training Exercise: What an Interviewer Should Not Do**

**Step 1:** Distribute markers and approximately 8 large-size (3” x 5”) stick-on notes to everyone present.

**Step 2:** Create a heading on a blackboard or wall that reads, “What an Interviewer Should Not Do.”

**Step 3:** Explain that the interviewer plays a critical role for establishing the tone of the interview and ensure that the respondent provides as complete and accurate information as possible. Ask people to identify two things an interviewer should not do.

**Step 4:** Allow a few minutes and then ask people to come to the front of the room and post one of the examples they had identified.

**Step 5:** Read through the answers and group the undesirable behaviors. Remove repeat responses. Ask people to add the second characteristic they identified if they do not see it already listed. Repeat for each level. Summarize the behaviors in terms of how they would undermine a positive interview that collects complete and accurate information.
**Figure 3-5**

Checklist of Interviewing “DOs”

**Interviewers should ALWAYS:**

- √ Speak clearly and use correct grammar in the language of the interview;
- √ Read fluently;
- √ Record verbatim answers in that language;
- √ Recall responses long enough to record them accurately;
- √ Perform several tasks simultaneously: read questions, record answers, follow instructions;
- √ Judge nonverbal and verbal cues of respondent to know when to administer reinforcement and clarification; and
- √ Exercise self-discipline and regulate verbal and nonverbal behavior in order not to improperly influence responses. Be neutral.

**Interviewers are also expected to:**

- √ Initiate and maintain a conversation with a stranger;
- √ Respond professionally to unexpected questions and situations;
- √ Remain neutral by keeping individual opinions out of the interview process;
- √ Motivate reluctant respondents to participate in the interview;
- √ Deliver the questionnaire in a flowing, conversational manner that reflects self-assurance and ease with the task of interviewing;
- √ Probe incomplete responses in an unbiased manner for more useful results; and
- √ Clarify contradictory responses.

(Frey and Oishi, 1995)

**Figure 3-6**

Checklist of Interviewing “DON’Ts”

**Interviewers should NEVER:**

- √ Get involved in long explanations of the study, such as trying to explain sampling in detail;
- √ Deviate from the study introduction, sequence of questions, or question wording;
- √ Try to justify or defend what they are doing;
- √ Interview someone they know;
- √ Falsify interviews;
- √ Improvise;
- √ Suggest an answer or agree or disagree with an answer;
- √ Try to ask questions from memory;
- √ Rush the respondent;
- √ Patronize respondents;
- √ Dominate the interview;
- √ Let another person answer for the intended respondent;
- √ Turn in a questionnaire without checking it over to be sure every question has been asked and its answer recorded; nor
- √ Change the wording or sequence of the questions.

(Frey and Oishi, 1995)
3.4.3 Asking Probing Questions

During an interview, clients will occasionally provide incomplete answers to the questions asked. When this happens, “probe” or ask additional questions to tease out more information. Probing is one of the interviewer’s most critical responsibilities. If the respondent is quiet, do not simply assume that she has little to say. And do not be in a rush to complete the interview. Take the time needed to get complete answers. The tricky part is that it is easy to make mistakes when probing for more information by anticipating what the respondent is going to say or asking leading questions.

Probing is equally, if not more important in qualitative interviews. The same principles apply. Figure 3-7, “Good Probing Techniques,” and Figure 3-8, “Improper Probing,” highlight good and improper probing techniques respectively.

<table>
<thead>
<tr>
<th><strong>Figure 3-7</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Good Probing Techniques</strong></td>
</tr>
</tbody>
</table>

- **Show Interest**
  - An expression of interest and understanding such as “uh-huh,” “I see,” and “yes,” conveys the message that their response has been heard and more is expected.

- **Pause**
  - Silence can tell a respondent that you are waiting to hear more.

- **Repeat the Question**
  - This can help a respondent who has misunderstood, misinterpreted, or strayed from the question to get back on track.

- **Repeat the Reply**
  - This can stimulate the respondent to say more or to recognize the inaccuracy.

- **Ask a Neutral Question**

  **For clarification:**
  - “What do you mean exactly?”
  - “Could you please explain that?”

  **For specificity:**
  - “Could you be more specific about that?”
  - “Tell me about that. What, who, how, why?”

  **For relevance:**
  - “I see. Well, let me ask you again.” [REPEAT QUESTION AS WRITTEN]
  - “Would you tell me how you mean that?”

  **For completeness:**
  - “What else?”
  - “Can you think of an example?”

  (Frey and Oishi, 1995)
Clearly, interviewing involves a lot more than reading questions from a questionnaire and writing down the answers. It is truly an art. These techniques, examples, and checklists should not scare anyone; with proper training and practice, practitioners can develop these skills. If you interact with clients on a regular basis, you already have many of them.

### 3.4.4 Qualitative Interviews

While many of the preparatory steps are the same for quantitative and qualitative interviewing, the latter requires the ability to conduct a controlled conversation during which the interviewer motivates the client to provide much rich detail while remaining neutral. Guidelines for conducting informal individual interviews are provided below (adapted from Gosling and Edwards, 1995; USAID/CDIE, 1996) and include four steps: (1) conducting the interview, (2) checking for reliability, (3) ending the interview, and (4) reviewing and writing after the interview.

**Conduct the interview**

- **Establish rapport.** Begin with traditional greetings. Introduce yourself and identify the sponsor of the research. Verify that the right person has been reached. Explain why the interview is being conducted and what the purpose of the study is. Explain any important
conditions of the interview, including how long it will take. Describe any benefits to participating. Ask permission to proceed.

- **Sequence questions.** Identify a good, opening, lead-in comment or question that will (1) put the interviewee at ease, (2) open the door to the intended line of questioning, and (3) demonstrate your desire to understand what the client has to say.

- **Ask categorical questions first.** Then ask the probing questions based on the client’s responses. Ask the client to clarify responses that are confusing or that contradict earlier ones; obtain clear, complete responses. Carefully lead up to sensitive questions (especially about income and family relationships).

- **Phrase questions carefully to avoid influencing the answer.** Avoid leading questions and value judgments. (For example: “Do you think the program’s high interest rates should be changed?” “Don’t you need a lot of patience to be a member of a group with so many problems?” “Oh, I am so happy to hear you like the training; it must have helped you improve your business!”) Avoid interjecting your own opinions and NEVER suggest an answer.

- **Maintain interested, but neutral demeanor.** As the interview unfolds, demonstrate your interest in what is being said by providing any verbal or nonverbal cues that are culturally relevant. Allow the participant all the time needed to give as full a response as possible. Be careful to not show any negative reaction to what you are hearing; maintain a neutral attitude. Avoid any unnecessary or overly enthusiastic reinforcement, such as, “Wonderful!” or, “That is the saddest thing I ever heard!”

- **Observe client behavior.** Be aware of how a client reacts or responds to a question, as well as any other behaviors that may add contextual information to a response.

- **Minimize translation difficulties.** Use simple language; avoid jargon. Make sure the client understands the words you are using, especially those such as “household” that may not have a clear equivalent in the local language.

- **Take complete and accurate notes.** Write down verbatim—to the extent possible—what participants actually say (using quotation marks); where possible, separate the minutia from actual data. (This point is not necessary if you use a tape recorder for the interview. In this case, use a tape that does not need to be changed during the interview, because this activity detracts from the process.)

**Check for reliability**
• **Be aware of contradictory responses.** Determine if the client has given different answers to similar questions.

• **Return to inaccurate questions.** Review questions that were not answered accurately to obtain a more detailed response.

**End the interview**

• Thank the client for his or her time.

• **Tell the client how important the information is** that she or he has provided.

• **Give the client a brief summary** of how the information will be used in the program.

• **Ask the client if he or she has questions**, and answer them honestly.

**Review and write after the interview**

• Review your notes and make any additions, corrections, and editing necessary for clarity.

• **Write down any observations about the client** that could explain responses to a given question.

The role of probing is also central to good qualitative interviewing. The interviewer should probe for:

• **More information or clarity:** Lead-in questions such as, “Tell me about...” or “Could you explain...,” or “What....,” encourage the respondent to tell more about some aspect of his or her first answer.

• **In-depth exploration about a specific aspect of the categorical question.** For example, if the categorical question is, “What made you decide to start your used clothing business?” and the answer is, “My brother convinced me it would be a good business,” explore the role that the brother plays in her enterprise activity. “Does your brother know about buying and selling used clothes? Did he help you to get started? Is your brother involved in the business? Does he help make other decisions? Which ones, for example? Do the two of you work together on any other businesses.”

Although the same principles apply to good probing in both quantitative and qualitative interviewing, (Do not ask leading questions; do not anticipate what the respondent is going to say; remain neutral when probing), there are also some differences. Figure 3-9, “Differences in Qualitative and Quantitative Probing,” highlights the distinctions with the use of probing between these two methods.
Figure 3-9

Differences in Qualitative and Quantitative Probing

<table>
<thead>
<tr>
<th>Quantitative Probing</th>
<th>Example</th>
<th>Qualitative Probing</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>To complete an answer clearly by choosing a response code for greater precision.</td>
<td>“You’ve said “x”; would you say that is the same as... ... (read the list of established answer choices)?</td>
<td>To motivate people to talk; and</td>
<td>“Please tell me more about... ...”</td>
</tr>
<tr>
<td></td>
<td>“By ‘around,’ do you mean it is closer to answer ‘x’ or answer ‘y’?”</td>
<td>To get more information to elicit examples and stories that illustrate a point.</td>
<td>“Can you give me an example of... ...?”</td>
</tr>
</tbody>
</table>

It is not easy to determine probing questions in advance, because they build on clients’ responses to categorical questions. Because these questions obviously cannot be predetermined, be prepared to think quickly and ask relevant follow-up questions at that moment. It is sometimes possible to identify potential questions in advance, based on the interviewer’s knowledge of the respondent, the business climate, the loan program, the respondent’s village, etc.

Figure 3-10

More Improper Probing

Question:
How did you use your first loan?

Answer:
Oh, I think I bought more stock and paid my daughter’s school fees.

Improper Probe:
So you mean about half on the business and half on your family or household?

Better Probe:
Could you be more specific? About how much did you invest in your business? About how much did you pay in school fees?

The improper probe puts words in the client’s mouth. It is better to politely request a more specific answer without making any assumptions.
3.5 Translating the Questionnaire into Local Languages

Translation of both quantitative and qualitative tools to local languages spoken by clients is critically important for some program sites. (See Figure 3-11) For surveys, those questions and pre-coded responses that are to be read to respondents should be written in the language in which they will be spoken. If a standardized survey is not transcribed into the local language, and specific wording of questions is left up to each individual interviewer, the resulting inconsistency in questions will lead to considerable error. To open the process to such inconsistency fundamentally undermines the purpose of using a survey methodology. Although qualitative tools are less sensitive to variation, it is still very important that all interviewers are asking the same categorical questions, and that the meaning of the question does not change with translation.

Translating a survey into local languages can be challenging when there are not commonly written standards for spelling and word meaning. An excellent source of translation expertise is the local radio station, which often broadcasts news and information programs in the predominant local languages. Individuals associated with these programs are well aware of the nuances of various word choices and their most common meanings. It might be possible to contract with them to translate those parts of the Impact Survey that will be read aloud.

The suggested approach for translation is as follows:

- Indicate on the survey those parts that will be spoken aloud and that need to be translated into a local language. Have a translator (preferably a professional one) transcribe those parts into the local language, staying as close to the original wording and meaning as possible. If a particular concept does not translate into the local language, it will be necessary to note this and change the original language version so that it correctly reflects the local language version.
- Have another individual, (preferably another

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**Figure 3-11**  
**From French to Bambara**  
In Mali, two versions of the Impact Survey were finalized during the interviewer training with Kafo Jiginiew—a French version and a French/Bambara version—because the staff was fluent in French but the clients’ predominant language was Bambara. So, in the second version, those parts of the survey that were to be read aloud were written in Bambara, while the parts that were not read aloud (instructions, certain pre-coded responses, information from program records) remained in French.
professional translator) re-translate the local-language version of the survey back to the original language.

- Compare this re-translated version with the original language of the survey. At this point, it is possible to identify confusion or disagreement on the meaning of the many terms in this manual that may not be commonly known among diverse clients (for example, investment, loan proceeds, profits, estimate, and impact).
- Finally, conduct a “practice” session, asking these questions as translated to determine, again, if any misunderstandings exist because of language differences.

Using a local-language version of the survey does require additional time for training interviewers who will need to compare the two versions and practice reading survey questions in the local language. “Time-saving” efforts to either reduce the time spent on translation or interviewer training, however, are potentially very costly as they ultimately threaten the quality and usefulness of the entire survey effort.

3.6 Sampling

3.6.1 Sampling for the Impact Survey.

Detailed instructions for drawing the sample you will need for the Impact Survey are found in Chapter 4, Part E.

3.6.2 Sampling for the Qualitative Tools

Qualitative evaluation research does not have the same sampling requirements as quantitative or survey-based research. The purposes of sampling in each type of inquiry are very different. Because surveys are designed to generate data that can be generalized to a broader population, sampling must be random and large enough to adequately represent the population. In contrast, qualitative studies most often generate detailed data applicable to the specific program being evaluated. In this case, sampling is generally purposive; that is, clients are chosen because they have specific characteristics and can provide information on the specific goal of the research. The type of information the researcher is looking for will determine the type of individuals chosen. Following any one of several sampling strategies, the researcher can select clients who represent the following (Patton, 1990):
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1. Extreme or deviant cases (outstanding successes or notable failures);
2. Obvious cases that clearly demonstrate the phenomenon you want to assess;
3. Maximum variation (rural/urban);
4. Typical cases or ones that exemplify an average outcome of program participation;
5. Typical high- and low-performing clients;
6. Critical cases to make a specific point very dramatically;
7. Client-recommended clients (snowball or chain) to identify who knows the most about a particular phenomenon;
8. Criterion to understand a particular point of importance; or
9. Confirming and disproving cases to document why an individual or group either follows or does not follow a particular pattern.

Several examples illustrate these sampling strategies:
- For type 1, a sample of clients who are in arrears for 30 days might be chosen to determine why clients have difficulty repaying.
- For type 3, a sample of urban manufacturers might be sampled to identify their program likes and dislikes and compared with a group of urban traders to determine if there is a difference in satisfaction.
- For type 8, in attempting to understand the specific impact of each loan in a sequence of loans, the sample might include a limited number of individuals in different cycles (for example, first through fourth) in order to understand how loan use evolves and how program benefits change over time.

In qualitative research, the size of the sample is relative or appropriate to the purpose of the research. Often it is determined by striking a balance among competing factors such as time, cost, usefulness, and validity. Sample size will vary depending on what the researcher wants to know and the purpose of the inquiry, as well as what is at stake, what information will be useful and credible, and what the researcher can accomplish with available time and resources. (Patton, 1990) In cases of very small samples, selecting “information-rich” clients to interview is critical. (Patton, 1990) Figure 3-12 presents actual sample sizes used for qualitative tools in several different impact assessments.
In summary, sampling frames for qualitative inquiry are more directed and purposeful than those in quantitative inquiries because its goal is to illustrate a particular issue in depth. To learn more about the issue, clients who fall into specific categories and who are good sources for information should be chosen for interview and observation. For all sampled clients and all tools (except the focus group tool), use program records to fill out an interviewee data form (See Appendix 3.1) as part of your preparations prior to the actual interviews.

**Conclusion**

Both qualitative and quantitative research methods are valid and acceptable if, in their application, researchers follow the principles discussed in this chapter. In the set of tools in this manual, the AIMS-SEEP team has combined the two types of inquiry, purposely creating overlap in their areas of inquiry, which enables the qualitative and quantitative data to complement and strengthen the other. The Impact Survey enables statistical comparisons of clients and a comparison group; the “Use of Loans, Profits and Savings Over Time” tool will provide substance and context to those results. The quantitative Client Exit Survey and the Client Satisfaction focus group should prove useful to management looking to improve program services. Microenterprise institutions, particularly those that expand outreach, open branch offices among different ethnic groups, and otherwise diversify their clientele, will draw from both types of inquiry as they seek to understand their markets, determine how to adapt their products and delivery systems, and anticipate how clients will interact with the program.
Appendix 3.1
Interviewee Information Form

This appendix contains a standard form to record demographic, loan and savings data, as well as information about how to find the clients you plan to interview. This form should be used for all four tools that involve individual interviewees—Impact Survey, Client Exit Survey, Client Empowerment, and Use of Loans, Profits and Savings Over Time. Fill in as much of the requested information from client records as possible, and attach the form to the specific questionnaire before going to the field. If all the information is not available before the interview, complete it by asking the interviewee. This form remains attached when the completed questionnaire is being checked for quality in the office, but to ensure confidentiality, it gets separated from the completed questionnaire after the data has been processed.

The information collected on this form will prove very useful for data analysis and writing the final report:

- Demographic data allows one to demonstrate that the clients in the sample are similar to (and representative of) the entire client population.
- Grouping and analyzing the clients based on age, number of children, type of business, or loan size can provide insight into how program services could be tailored to better meet the needs of particular client subgroups.
- Clients will not always be able to remember the amount of their first loan, their savings, or possibly even their current age. Thus, it may be more accurate and efficient (by reducing interview time) to obtain this data from the program records.
- Institutions that collect housing or income data upon program entry can collect this same data again during the impact assessment and use it for longitudinal analysis.

The information on this form is processed by computer with the data from the quantitative tools—the Impact Survey and the Client Exit Survey. For this reason, the numbering of the questions begins with 40, which is higher than the numbers of any of the questionnaires. For the two qualitative tools, this quantitative information is processed using the statistical program and then reported in the demographic summary at the beginning of the analysis section of each of these two tools.
The form on the following pages is a sample, illustrating the type of information that can be included in the interviewee data form. This form will vary significantly for each organization depending on the types of information each one collects on its clients and ex-clients. For example, institutions that collect housing data upon program entry should collect this same data in the quantitative impact survey and use it for longitudinal analysis. The following boxes are an example of how to design a survey and client numbering system. Maintaining a strict control of documents is essential, and numbers that quickly identify the type of tool, branch office, group and client numbers will facilitate this process.

**A Sample Survey Identification Number System**

**5-Digit Number:** (i.e., 38123 = exit survey from Branch B)

1\(^{st}\) Digit = Type of Tool
1 = Main Survey of Clients
2 = Comparison/Control Group of Non-Clients
3 = Exit Survey
4 = Client Satisfaction
5 = Empowerment
6 = Loan Use
0 = Practice

2\(^{nd}\) Digit = Area, Branch or Region
7 = Branch A
8 = Branch B
9 = Branch C

3\(^{rd}\) - 5\(^{th}\) Digits = Unique number for each survey/questionnaire

**A Sample Client Identification Number System**

**11 Digit Number:** M T B - 97 - 24 - 0458

Digits 1-3 = Letters signifying Branch
Digits 4-5 = Year of entry in Program
Digits 6-7 = Group Number within Branch
Digits 8-11 = Member Number within Group
# Interviewee Data Form

Please fill in ahead of time with information from the program files.

<table>
<thead>
<tr>
<th>Client number: _____________________</th>
<th>Survey form number: _____________________</th>
</tr>
</thead>
<tbody>
<tr>
<td>(if a new client number is devised for the survey, the program’s client number should also be included)</td>
<td></td>
</tr>
<tr>
<td>Interviewer number: __________</td>
<td></td>
</tr>
</tbody>
</table>

### Interviewee Information

<table>
<thead>
<tr>
<th>40. First names: __________________________</th>
<th>Last (surname): __________________________</th>
</tr>
</thead>
<tbody>
<tr>
<td>42. Community or branch code: __________</td>
<td></td>
</tr>
<tr>
<td>43. Name or Code of usual loan officer: __________</td>
<td></td>
</tr>
</tbody>
</table>

### Interviewee’s Address (Do not computerize the data in this section)

<table>
<thead>
<tr>
<th>44. Current Home address: ________________</th>
</tr>
</thead>
<tbody>
<tr>
<td>45. Business address (if any): ________________</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

| 46. Additional information to help find the client: __________________________ |
|                                                                           |

**Note to branch office personnel:** Add a map drawing on the back of this sheet if the interviewer will have difficulty finding the client with just the above address.

### Personal Data

<table>
<thead>
<tr>
<th>47. Sex: __________</th>
</tr>
</thead>
<tbody>
<tr>
<td>48. Birth date: __________</td>
</tr>
<tr>
<td>50. Place of birth: ________________</td>
</tr>
<tr>
<td>51. Years of schooling at entry: __________</td>
</tr>
<tr>
<td>53. Number of children (under age 18) at entry: __________</td>
</tr>
</tbody>
</table>

### Condition of House (if available from client records)

| 54. __________ |

**Note:** Housing conditions should include three or four categories spelling out the types of construction to provide objective measures.
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Business
55. Type of business being financed (according to program records): ______________
56. Type of business at entry of client: __________
   1. Retail
   2. Food service
   3. Service (other than food)
   4. Production
   5. Agriculture
   6. Animal raising
   7. Other ___________________________
57. Place of sales
   1. Fixed location
   2. Mobile business
   3. Sales according to orders
   4. Transport business
   5. Other: ___________________________

Loans
58. Number of lending group: ________ Name: ____________________
59. Loan cycle of lending group: __________
60. Beginning date of lending group: ______________
61. Beginning date of client in program: ___________ (dd/mm/yy)
62. Total number of months that client has been in program: __________
63. Number of general loans from program to date: __________
64. Amount of first loan: __________
65. Amount of last loan: __________
66. Difference: ________________
67. Number of internal loans from lending group to date: __________
68. Amount of first loan: __________
69. Amount of last loan: __________
70. Difference: ________________
71. Number of arrears (default) in last cycle of general loan from program: __________
72. Is the client behind in payments to lending group? __________

(Note: Section on special loans (seasonal, housing, etc.) could be added to this section)

Savings
73. Amount of savings at end of last period: ______________
74. How much do savings exceed the required amount for this period? ______________
75. Has the client had to deduct from savings to pay a loan to the program or to the lending group? ______________

If Client has Left Program:
76. Inactive Date: __________ M onths to Date: __ (how many months ago did the client become inactive?)
77. Quitting Date: __________ M onths to Date: __
78. Deducted savings to pay off loan? ___ Yes; ___ No
Chapter 4

**Tool 1**

Impact Survey

4.1 Impact Survey
4.1 Tool 1: Impact Survey

Welcome to the biggest chapter in this manual, Learning from Clients: Assessment Tools for Microfinance Practitioners. In addition to presenting Tool#1, Impact Survey, this chapter includes an additional six parts (Parts A through F). These parts introduce the rationale for the survey indicators; provide step-by-step guidance for the survey’s application, including sampling guidelines; and walk users through data analysis. The following parts contribute to the overall understanding of the Impact Survey:

**Part A, Survey Objectives and Design:** Introduces the objectives and presents the design of the survey.

**Part B, Survey Indicators and Hypotheses:** Outlines the indicators and corresponding hypotheses included in the Impact Survey.

**Part C, Optional Indicators and Questions:** Includes optional indicators and questions for the survey.

**Part D, Adapting the Survey:** Contains three sections - 1) the survey in seven modules; 2) guidelines for selecting hypotheses and writing new questions; and 3) an example describing how CASHPOR and ASHI modified the survey for use by Grameen replicators.

**Part E, Sampling Guidelines for the AIM S-SEEP Survey:** Presents sampling and data collection guidelines for the Impact Survey and includes methods for randomly sampling groups and individual clients.

**Part F, Guidelines for Data Coding and Analysis:** Includes guidelines for data coding and analysis with specific instructions for using Epi Info.
Tool 1: Impact Survey

Type of Tool: Quantitative

Overview:
The Impact Survey is administered up to three groups selected at random: a group of short-term clients (about one year’s time in the program), a group of longer-term clients (two years or more in the program), and a group of new clients who have joined the program but have not yet received any services. The survey is administered in the same way to all respondents; their answers are expressed largely in terms of numbers corresponding to pre-coded responses.

Hypotheses tested by this tool:
At the household level:
- Increased income
- Increased assets
- Increased welfare (in such aspects as food security, housing, and health)
- Increased ability to cope with emergencies

At the enterprise level:
- Increased income
- Increased assets
- Increased ability to survive periods of reduced cash flow
- Changes in business practices associated with increased profitability

At the individual level:
- Increased personal saving

At the community level:
- Reduced problematic child labor in clients’ enterprises
- Increased employment in clients’ communities
Purpose:
The purpose of the Impact Survey is to test multiple hypotheses that correspond to various types of impact using a tool that is practical, cost-effective, credible, and valid.

Amount of time required to administer the tool:
About 60 minutes (1 hour)

Source:
Barbara Mknelly of Freedom from Hunger originally wrote this survey tool with input from the AIMS/SEEP team and revisions based on field tests.
### Impact Survey -- AIMS-SEEP

**Sampling Group/Client Status**

1 = Clients of first sampling group
2 = Clients of second sampling group
3 = Non-clients (or incoming clients)

(Confirm client name and status before starting interview)

**Area:**
1 = Area 1
2 = Area 2
3 = Area 3

(Introduce yourself; explain the purpose of the survey and the voluntary nature of the interview)

(If any information is missing from attached Interviewee Data Form, ask the client during the interview)

#### Individual Level: Basic Information

1. Have you ever been a member of the (insert organization name) ________ program?
   - 1 = Yes
   - 0 = No
   (If yes, go to #1b.)
   (If no, go to #2)

2. If yes, how long have you been/were you a member? (Enter number of months)
   (Check that information matches expected client status listed above.)

3. Are you currently borrowing from another source for your enterprise?
   - 1 = Yes
   - 0 = No

4. From what source?
   - 1 = Informal Money Lender
   - 2 = Family Member without cost
   - 3 = Bank
   - 4 = Other Program
   - 5 = Other ________________________

5. How old are you? (Specify number of years)
   - 99 = Don't know.
4. Currently, are you …? (Read answers. Enter only one.)
   1 = Married/free union  3 = Widowed
   2 = Separated/divorced  4 = Single/never married

5. How many years of school have you completed?
   (Specify number of years)  99 = Don't know.

6. If someone sent you a letter, could you read it?
   1 = Yes  0 = No  99 = Don't know

Household Level: Basic Information

7. How many persons in your household (those who live together with you and share the same food at least once a day) are:
   Number of persons:
   Adults--18 years of age or older
   Children--17 years of age or younger

8a. How many persons in your household are working--engaged in work that earns income or products?
   Number economically active:

8b. How many persons in your household have a job with a fixed salary?
   Number of salaried workers

9. Who is the person who is the principal decision-maker in your household? (head of household)
   1 = Self  2 = Client and spouse equally  3 = Female relative
   (mother, sister, aunt,
   grandfather, father-in-law,
   brother-in-law)
   4 = Male relative (husband,
   father, brother, uncle,
   grandmother, mother-in-law)

Education of Children  (Adjust ages used to define "school-aged" to each situation)

10a. How many children in your household are school-aged (5-17 years of age)?
   Number of school-aged children

10b. How many of these children currently attend school, full or part-time?
   Total number in school

10c. How many of these children have never attended school?
   Total number never in school

10d. What is the highest grade level that any of your children has completed?
   Highest grade in terms of
   number of years in school

11a. How does the amount your household spent on school and school expenses for this current school year compare to what you spent last school year? (Read answers 1, 2 and 3, only, and enter response.)
   1 = Decreased  2 = Stayed the same  3 = Increased  99 = Don't know  98 = Not applicable

11b. Why?
Loan Use and Individual Income

12a. (Clients only) Did you invest any of the last loan you took from the __________________ program into an income-generating activity?

1 = Yes 0 = No 99 = Don't know

(Go to #12b.) (Go to #12c.) (Go to #12c.)

12b. (Clients only) How did you invest the last loan you took from the (insert organization name) __________________ program?

(Do not read answers. Multiple responses possible)

___ 1. Commerce/trade/retail (includes petty trade)
___ 2. Manufacturing (includes food processing, textile production, crafts, leather work)
___ 3. Service (includes hairdressing, restaurants, food stalls, cleaning services)
___ 4. Agriculture (includes food or other crop production, animal raising)
___ 5. Fishing
___ 98. Did not invest the loan in an income-generating enterprise
___ 99. Don't know

12c. (Clients only) Did you use any portion of your last loan to …?
(Read each statement. Multiple answers possible. Fill in an answer for each box.)

1. Buy food for your household? 1 = Yes 0 = No 99 = Don't know

2. Buy clothes or other household items? 1 = Yes 0 = No 99 = Don't know

3. Give or loan the money to your spouse or someone else 1 = Yes 0 = No 99 = Don't know

4. Keep money on hand in case of an emergency or to repay the loan 1 = Yes 0 = No 99 = Don't know

5. To repay other debt 1 = Yes 0 = No 99 = Don't know

6. For house/land improvement or purchase? 1 = Yes 0 = No 99 = Don't know

7. To spend on a celebration, like a wedding, etc. 1 = Yes 0 = No 99 = Don't know

13. Over the last 12 months, has your overall household income ...?
(Read answers and enter response)

1 = Decreased 2 = Decreased 3 = Stayed the Same 4 = Increased 5 = Increased 99 = Don't Know

14a. Over the last 12 months, has the income you have been able to earn...?
(Read answers and enter response)

1 = Decreased 2 = Decreased 3 = Stayed the Same 4 = Increased 5 = Increased 99 = Don't Know

(Go to #14b.) (Go to #14b.) (Go to #15a.) (Go to #14c.) (Go to #14c.) (Go to #15a.)
**14b. (If decreased at all) Why did your income decrease?**

(Do not read answers. Multiple answers possible. Fill in an answer for each box. Then go to #15)

- 1. Household member has been sick/died   1 = Yes  0 = No  
- 2. I have been sick   1 = Yes  0 = No  
- 3. Natural disaster (flood, earthquake)   1 = Yes  0 = No  
- 4. Poor agricultural season   1 = Yes  0 = No  
- 5. Poor sales   1 = Yes  0 = No  
- 6. Could not collect credit   1 = Yes  0 = No  
- 7. Other (specify) ____________________________________________ 

99. Don’t know

**14c. (If increased at all) Why did your income increase?**

(Do not read answers. Multiple responses possible. Fill in an answer for each box.)

- 1. Expanded existing enterprise   1 = Yes  0 = No  
- 2. Undertook new enterprise   1 = Yes  0 = No  
- 3. Good agricultural season   1 = Yes  0 = No  
- 4. Sold in new markets   1 = Yes  0 = No  
- 5. Increase in demand/sales   1 = Yes  0 = No  
- 6. Other (specify) ____________________________________________ 

99. Don’t know

**Enterprise Level: Income, Labor, and Profit**

15a. In the last 4 weeks, did you work for anyone else for pay?  
1 = Yes  0 = No

15b. In the last 4 weeks, did you engage in your own enterprise or income-generating activity other than farming?  
1 = Yes  0 = No  (include seasonal or piece work)  
(Go to #16a.)  (Go to #20.)

16a. (If yes to #15b.) In the last 4 weeks, which of these enterprise activities earned you the most income?  
Activity #1: _______________________________________________________________________

16b. Is this enterprise activity...?  
1 = Primarily your own enterprise  
2 = Primarily a household enterprise  
3 = A business partnership with others not in your household

16c. What is your product cycle for this enterprise—how long does it take from the time you purchase inputs to the time you sell most of the product? For example, if you sell cooked food in the market once a week and buy your ingredients on a weekly basis, you earn a weekly profit. If you fatten animals for sale...
16d. What and how much were your costs for your last product cycle?  
(Probe for all enterprise expenses, including inputs, transportation, hired labor, taxes, rent, water, light, and so forth. List expenses and costs in appropriate time periods.)

<table>
<thead>
<tr>
<th>Expense</th>
<th>Cost per week</th>
<th>Cost per 2 weeks</th>
<th>Cost per month</th>
<th>Expense for other time period; specify period</th>
</tr>
</thead>
<tbody>
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</table>

16e. Sales: For the same product cycle, what were your total sales (cash and credit)?  
(Enter amount in the appropriate time period box.)

<table>
<thead>
<tr>
<th>Weekly sales</th>
<th>Sales per 2 weeks</th>
<th>Monthly sales</th>
<th>Sales for other time period; specify</th>
</tr>
</thead>
<tbody>
<tr>
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</table>

16f. Profit: For the same product cycle, after covering your enterprise costs--but before you spent your earnings on your family--what was your profit?  
(Enter amount in the appropriate time period box.)

<table>
<thead>
<tr>
<th>Weekly profit</th>
<th>Profit per 2 weeks</th>
<th>Monthly profit</th>
<th>Profit for other time period; specify</th>
</tr>
</thead>
<tbody>
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16g. What is the mathematical calculation of the profit using the numbers for income and costs given by the client?  
(16e (monthly sales) minus total of 16d (monthly costs) = monthly profit)

16h. What is the difference between the client's estimated profit in 16f. and the profit calculated from client's stated sales and costs in 16g.?  
(16f minus 16g)

17a. In the last 4 weeks, which enterprise activity earned you the second greatest amount of income?  
(NOTE: If there is no secondary activity, proceed to question 18.)

Activity #2: ____________________________________________

17b. Is this enterprise activity…?  
(Read answers and enter only one.)

1 = Primarily your own enterprise  
2 = Primarily a household enterprise  
3 = A business partnership with others not in your household

17c. What is your product cycle for this enterprise--how long does it take from the time you purchase inputs to the time you sell most of the product? For example, if you sell cooked food in the market once a week and buy your ingredients on a weekly basis, you earn a weekly profit. If you fatten animals for sale you probably earn a profit every six months when they are sold.  
(Read the possible responses.)

1 = Weekly  
2 = Every 2 weeks  
3 = Monthly  
4 = Other  
(specific) __________
### Learning from Clients: Assessment Tools for Microfinance Practitioners

#### Tool #1: Impact Survey

**17d.** What and how much were your costs for your last product cycle? (Probe for all enterprise expenses, including inputs, transportation, hired labor, taxes, rent, water, light, and so forth. List expenses and costs in appropriate time periods.)

<table>
<thead>
<tr>
<th>Expense</th>
<th>Cost per week</th>
<th>Cost per 2 weeks</th>
<th>Cost per month</th>
<th>Expense for other time period; specify</th>
</tr>
</thead>
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</tbody>
</table>

**17e.** Sales: For the same product cycle, what were your total sales (cash and credit)? (Enter amount in the appropriate time period box.)

<table>
<thead>
<tr>
<th>Weekly sales</th>
<th>Sales per 2 weeks</th>
<th>Monthly sales</th>
<th>Sales for other time period; specify</th>
</tr>
</thead>
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</tbody>
</table>

**17f.** Profit: For the same product cycle, after covering your enterprise costs--but before you spent your earnings on your family--what was your profit? (Enter amount in the appropriate time period box.)

<table>
<thead>
<tr>
<th>Weekly profit</th>
<th>Profit per 2 weeks</th>
<th>Monthly profit</th>
<th>Profit for other time period; specify</th>
</tr>
</thead>
<tbody>
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</tbody>
</table>

**17g.** What is the mathematical calculation of the profit using the numbers for income and costs given by the client? (17e (monthly sales) minus total of 17d (monthly costs) = monthly profit)

**17h.** What is the difference between the client's estimated profit in 17f. and the profit calculated from client's stated sales and costs in 17g.? (17f minus 17g)

**18.** (If client answered #16) (INTERVIEWER: Rate the client's ability to estimate his or her profit, costs, and earnings. RECORD YOUR OBSERVATIONS AS AN OBSERVER. DO NOT ASK!)  
1 = Great deal of difficulty 2 = Some difficulty 3 = No difficulty

**19.** (If answered #16) In the last 4 weeks, how many children helped you with either of these enterprise activities? (this should include ALL children, both from the household and from elsewhere)

<table>
<thead>
<tr>
<th>19a. Number of children</th>
<th>19b. Number of children who missed school in the last four weeks or never enrolled to assist the entrepreneur (with either of the 2 principal income-earning enterprises)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1. Under 11 years of age</td>
</tr>
<tr>
<td></td>
<td>2. 11 to 17 years of age</td>
</tr>
</tbody>
</table>
20. During the last 12 months, in what three principal ways did you use the profit from your enterprise activity? Tell me the one you used the most money for first. (Do not read answers.)

<table>
<thead>
<tr>
<th></th>
<th>1 = Buy food</th>
<th>2 = Buy clothing</th>
<th>3 = Pay school expenses</th>
<th>4 = Pay health-related costs.</th>
<th>5 = Buy items for the house</th>
<th>6 = Reinvest in my enterprise expenses</th>
<th>7 = Save</th>
<th>8 = Animal raising</th>
<th>9 = Other (specify)</th>
</tr>
</thead>
</table>

Enterprise Level: Income, Labor, and Profit

21. During the last 12 months, did you make any of the following changes to your enterprise activity? (Read list of possible changes. Mark the appropriate box with an X.)

<table>
<thead>
<tr>
<th></th>
<th>a. Expanded size of enterprise/business facility</th>
<th>b. Added new products</th>
<th>c. Hired more workers</th>
<th>d. Improved quality or desirability of product/added value</th>
<th>e. Reduced costs by buying inputs in greater volume or at wholesale prices</th>
<th>f. Reduced costs with cheaper source of credit</th>
<th>g. Developed a new enterprise</th>
<th>h. Sold in new markets/locations</th>
</tr>
</thead>
</table>

22. During the last 12 months, did you purchase or invest in any of the following assets for your enterprise activity? (Read list of possible changes. Mark the appropriate box with an X.)

<table>
<thead>
<tr>
<th></th>
<th>a. Purchased major tools (such as stoves, equipment, machinery)</th>
<th>b. Purchased own means of transportation (such as a bicycle, pushcart)</th>
<th>c. Invested in a storage structure (such as a granary, stock room)</th>
<th>d. Made a minor investment in your marketing site (by purchasing a chair, table, shed, or the like)</th>
<th>e. Invested in structures for your marketing site (kiosk, shop)</th>
</tr>
</thead>
</table>

Individual Level: Savings and Enterprise Skills

23. Do you currently have any personal cash savings that you keep in case of emergencies or because you plan to make a major purchase or investment?

<table>
<thead>
<tr>
<th></th>
<th>1 = Yes</th>
<th>0 = No</th>
<th>99 = Don't know</th>
</tr>
</thead>
</table>

(Read answers and enter response.)

24. During the last 12 months, has your personal cash savings...?

<table>
<thead>
<tr>
<th></th>
<th>Decreased</th>
<th>Decreased</th>
<th>Increased</th>
<th>Increased</th>
<th>Greatly</th>
<th>Don't know</th>
</tr>
</thead>
</table>

(Read answers and enter response.)
### Question 25
When you are deciding to undertake an enterprise, what factors do you consider?

<table>
<thead>
<tr>
<th>Number</th>
<th>Description</th>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Work I am familiar with</td>
<td>1</td>
<td>How much working capital is needed/ Whether I have enough money</td>
</tr>
<tr>
<td>2</td>
<td>Whether the product or service appears to be profitable because there seems to be a high demand</td>
<td>2</td>
<td>Whether I can do it and still take care of my family and other responsibilities</td>
</tr>
<tr>
<td>5</td>
<td>To diversify overall business and/or income</td>
<td>5</td>
<td>Other (specify)</td>
</tr>
<tr>
<td>99</td>
<td>Don't know</td>
<td>99</td>
<td></td>
</tr>
</tbody>
</table>

### Question 26
In managing your enterprise activity... (Read) (For clients, read across the row by item.)

<table>
<thead>
<tr>
<th>Number</th>
<th>Description</th>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Do you keep your enterprise money separate from the money you have for personal and household expenses?</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Do you calculate your profit based on records of your costs and earnings?</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Do you know which product(s) bring you the most profit?</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Do you pay yourself a wage for your work in your enterprise?</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Do you have a fixed location with protection from the sun and rain for selling your products, such as a store, stall, or kiosk?</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Do you have a fixed location for producing or storing your products that is different from the location where your family lives?</td>
<td>6</td>
<td></td>
</tr>
</tbody>
</table>

### Household Level: Assets
27. Now I have some questions about items that your household might own. (An appropriate list of assets must be created for each site.) I will read a list of items and I would like you to indicate if you or anyone in your household owns any of these items.

#### Consumer Assets of Relatively Modest Value--On average worth less than $100
- Radio or tape player
- Chairs/benches/tables

#### Consumer Assets of Mid-range Value--On average worth more than $100 but less than $1000
- Bicycle
- Frame bed w/ mattress
- Stove/refrigerator
- Television

#### Consumer Assets of High-range Value--On average worth more than $1000
- Motorcycle
- Car/pick-up truck
- Tractor

### Household Level Welfare: Housing Improvements
28a. During the last two years, were any repairs, improvements or additions made to your home that cost more than $50?

1 = Yes 0 = No 99 = Don't know

(If yes to #28a) Which of the following have you done in the last two years?

<table>
<thead>
<tr>
<th>Housing Repairs, Improvements, or Additions</th>
<th>a. (Read and check if &quot;yes.&quot;)</th>
<th>b. (Clients only) Were you a member of the program when this was done? (Mark with an X.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) House repairs or improvements (for example, fixed or improved existing roof, floor, or walls)</td>
<td>1 = Yes 0 = No</td>
<td></td>
</tr>
<tr>
<td>2) House expansion (for example, built new room, shed, attic, or fence)</td>
<td>1 = Yes 0 = No</td>
<td></td>
</tr>
<tr>
<td>3) Improved water or sanitation system (for example, new well, drainage/sewage system, or showers-latrine-wash basin)</td>
<td>1 = Yes 0 = No</td>
<td></td>
</tr>
<tr>
<td>4) Lighting/electricity</td>
<td>1 = Yes 0 = No</td>
<td></td>
</tr>
</tbody>
</table>

28b. Did the funds for these improvements or additions come from your enterprise?

1 = Yes 0 = No 99 = Don't know

29. (If yes to #28a)

30. During the last 12 months, has your household's diet (Read answers and indicate response.)

1 = Worsened 2 = Stayed the same 3 = Improved 99 = Don't know

(If worsened) How has it worsened? __________________________________________________ (Then go to #32a)

(If improved) How has it improved? (Do not read answers. Multiple answers possible. Probe by asking, "And anything else?")

1 = Able to buy more cereal staples such as maize, rice 3 = Able to buy more animal/dairy products--meat, milk cheese, eggs 6 = Able to eat better during the hungry season

2 = Able to buy more condiments, vegetables, legumes, to eat with staples 4 = Able to buy more convenience foods like pasta 7 = Able to eat three meals in a day

5 = Able to buy more cooked foods 8 = Other (specify) 99 = Don't know
32a. During the last 12 months, was there ever a time when it was necessary for your household to eat less or eat less well either because of a lack of food or a lack of money to buy food?

1 = Yes 0 = No 99 = Don’t know

(Go to #32b) (Go to #33a) (Go to #33a)

32b. How long did this period last?

(Specify number of months) 99 = Don’t know

32c. What did your household do to get through this difficult situation?

(Read answers. Multiple answers possible.)

1 = Borrowed money or food from family/friend at no cost
2 = Borrowed money or food at cost
3 = Sold personal property
4 = Self or someone else in family got local employment
5 = Self or someone else in family left area
6 = Other (specify)

99 = Don’t know

33a. During the last 12 months, was there ever a time when you did not have enough money to conduct your enterprise?

1 = Yes 0 = No 99 = Don’t know

(Go to 32b)

33b. How long did this period last?

(Specify number of months) 99 = Don’t know

*****End for non-clients--express thanks for their time--answer any questions or concerns they may have regarding the interview*****
Questions for Clients Only

34a. Did you face any difficulty repaying your loan to the program in the last loan cycle?  
1 = Yes 0 = No 99 = Don't know

(Go to #34b) (Go to #35) (Go to #35)

34b. (If yes) What caused your repayment problems?  
1 = Loan activity was not profitable 5 = Sold on credit and did not get paid back 9 = Other (specify)
2 = I or others in my family had been sick in time 6 = Death in family 99 = Don't know
3 = Lack of sales/demand 7 = Family celebration (wedding, birth, etc.)
4 = Used enterprise capital on consumption (food, clothing, household goods)

35. Name three things you like most about the (insert organizational name) program.

1 = Lower interest rate 4 = Training or technical assistance 7 = Easier guarantees than loan alternatives
2 = Steady source of working capital 5 = Other financial services, such as savings or insurance 8 = Other (specify)
3 = Group solidarity and/or group dynamics

36. Name three things you like least about the (insert organization name) program.

1 = High interest rates or commission 6 = Meeting place/office not convenient 10 = Dislike behavior/attitude of loan officer or other program personnel
2 = Size of initial or subsequent loans too small 7 = Repayment policies (frequency, amount) 11 = Lack of grace period
3 = Loan cycle too long or too short 8 = Guarantee policies 12 = Forced savings or insurance
4 = Problematic group dynamics (with leaders or at meetings) 9 = Transaction costs for client (such as slow disbursement or have to cash checks) 13 = Other (specify)
5 = Meeting frequency too often or meetings too long 14 = Nothing 99 = Don't know

37. If you could change something about the (insert organization name) program to make it even better, what would you change?  
__________________________________________________________

__________________________________________________________

__________________________________________________________

****End for clients--express thanks for their time--answer any questions****
Chapter 4

Tool 1: Impact Survey

Part A

Survey Objectives and Design

A.1 Objectives and Development of the Impact Survey

A.2 Cross-sectional Design
Part A

Survey Objectives and Design

A.1 Objectives and Development of the Impact Survey

The objective of the Impact Survey is to offer practitioners a tool for assessing whether their microenterprise programs are achieving the types of impacts—enterprise development, economic growth, family/household economic security, and community development—described in the conceptual framework used by AIMS. As outlined in Chapter 2, the Impact Survey focuses on testing those AIMS hypotheses determined to be of particular interest to the practitioner organizations participating in the Small Enterprise Education and Promotion (SEEP) Network. Development of the Impact Survey, as with the other tools in this manual, was guided by a desire for credible and valid client assessment tools that are practitioner-oriented, practical, and cost-effective.

To develop the Impact Survey, the SEEP team

- selected indicators with which to measure change;
- drafted questions and approaches to collect the information needed for those indicators;
- created a survey with a logical sequence and good flow of survey questions;
- adapted the indicators and questions to microenterprise programs in Honduras and Mali to test the survey; and
- refined the indicators, questions, and survey instrument based on those two tests.

Because it addresses a relatively large number of impact hypotheses, the Impact Survey is long. Many practitioner organizations may elect to use only parts of the “core” survey (Chapter 4, PART D divides the survey into seven distinct modules from which users can choose those most relevant to their assessment objectives.) Conversely, those organizations wanting to explore certain themes in greater depth may choose from additional optional questions presented in Chapter 4, PART C. Each optional question was tested but not included in the core survey because the questions were determined to require too much time in either their collection or analysis for the general applicability and/or relevance of the information they provide.
Chapter 4A

The Impact Survey must not be viewed or used as a completed, off-the-shelf evaluation instrument. Guided by the AIMS impact framework, the core survey included in this manual takes into account a variety of factors—including family/household and individual demographics and time in the program—that will affect a program’s ultimate impact. No single instrument, however, can be sensitive to the many factors that affect program outcomes. That these factors change from place to place makes it essential for practitioners to adapt the survey.

The survey instrument will likely require two types of revisions: (1) those that make the survey questions and pre-established responses appropriate to the program’s clients and their cultural and geographic context, and (2) those that make the survey responsive to the program’s particular impact goals. For example, if your organization provides health education services, consider developing hypotheses, indicators, and questions that address the impact of that component. See Chapter 4, PART D “Adapting the Survey” for guidelines on revisions.

A.2 Cross-sectional Design

The Impact Survey uses a cross-sectional design, which collects information at one point in time only. Many practitioner organizations may be more familiar with a longitudinal study design that includes baseline (pre-test) and followup (post-test) data collection rounds, which are the norm for many USAID-funded development projects.

For practitioner-friendly evaluation tools, a cross-sectional approach offers two distinct advantages:

1. It is more timely in providing impact information than is a longitudinal design, making it immediately useful to program managers; and
2. It is less expensive and resource intensive because it requires only one round of data collection.

In addition, the data collected can serve as a base line for later use.

During the initial design work on these practitioner tools, several of the participating organizations strongly advocated for a cross-sectional approach, saying that too often they
have had experience with baseline studies that were never followed up. Practitioners argued that when both the institutional will and resources are in place to explore and better document program impact, the results are needed more immediately than the three to five years typically required by a longitudinal approach.

Figure 4A-1, “Pros and Cons of Various Research Designs for the AIMS Practitioner’s Impact Survey”, summarizes the pros and cons of six design strategies considered by the tools team. In keeping with its mandate to develop relatively simple, low-cost, yet valid and credible, evaluation tools, the team selected Option 2.

Option 1, “Clients only”, was not seriously considered because, despite its popularity with practitioners who want a “quick and dirty” assessment, it is not considered valid. It depends only on clients’ self-reports; and the lack of a comparison group makes it impossible to know whether the changes clients describe exist because of the program or if they simply represent general trends in the area.

Option 3, “Clients and non-clients”, is perhaps the most common cross-sectional design used in evaluation research. The responses of clients are compared to those of non-clients through a “with/without” framework. Because it includes a comparison group, this approach represents an improvement relative to Option 1.

The design team believes, however, that Option 2, “Mature clients and incoming clients”, is the most promising and valid of the cross-sectional approaches. With Option 2, the comparison group is composed of the program’s incoming clients. They represent the best comparison group since they have not been in the program long enough to exhibit impact; yet they should be similar “types” of people as those in the client sample because they also chose to join the program. In addition, it is easier to select a comparison group from existing lists of incoming clients than it is to select non-clients at random from the local population.

---

1 The absence of clients who have left the program (dropouts) means that the study results could overestimate or underestimate program impact. Researchers need to be very transparent that the results pertain only to those who have stayed in the program and should provide dropout rates so the reader can better understand the proportion that remains in the program. (See Barnes and Sebstad, Guidelines for Microfinance Impact Assessments, 2000.) The team concluded that covering dropouts would make sampling too difficult and would be too time consuming for the intended users of these tools.
This choice of comparison group addresses a major methodological problem of impact evaluations—self-selection bias. Not everyone chooses to use microenterprise services. Individuals who do become program clients are likely to be inherently different from the general population. If differences are found between client and non-client samples, it is impossible to know whether they are due to the effects of the program or if they simply reflect the inherent differences between the two groups. Using incoming clients as the comparison group helps to minimize the self-selection bias since they also elected to join the program. As pointed out in Figure 4A-1, however, some self-selection bias might still exist because those who chose to stay with the program for relatively long periods of time (the mature clients) may be inherently different from the general pool of clients who initially join. Some of the incoming clients will exit the program relatively soon after joining.

When incoming clients choose to join the program might also influence their appropriateness as a comparison group. For example, it may be that those who join early when a program is first introduced into a community are better off and less risk adverse than those who join later. If possible, select incoming clients who joined at a comparable stage of the program’s implementation as the client sample. For the Mali test, incoming clients were randomly selected from village banks just being formed in new program communities. The two-year clients were randomly selected from village banks that were two years old, and similarly, one-year clients from village banks that had been operating for one year. In this way, all three sample groups were composed of clients who joined in the first loan cycle of a new village bank.

In general, longitudinal approaches are superior to cross-sectional designs when they include collection of data in two time periods from the same respondents. Although Option 4 is a longitudinal design, it does not include interviews with the same respondents, and so it is difficult to assign differences found between new and mature clients to program participation. Options 5 and 6 are the better longitudinal designs.

Option 5, “Interviewing the same group of clients at two different points in time,” and Option 6, “Comparing clients to non-clients at two different points in time”, are better able to measure change and attribute it to the effect of the program. They are relatively more expensive, however, and their logistics and analysis more complicated. Sample sizes must be larger to compare results from two time periods. Because the same individuals would be interviewed in both time periods, sample sizes must be large enough to account for attrition
between the baseline and followup period. In some programs, client attrition can be as high as 50 percent over a two-year period, requiring that the sample size in the baseline period be twice as large as the targeted number for the followup. Still, if practitioner organizations have the institutional will, resources, and skill to carry out a multi-year, longitudinal assessments with comparison groups, this would be the best, most valid, and most widely accepted approach. The Impact Survey described here could certainly be applied in this manner. Given the mandate and cost-consciousness of the practitioner tools, however, the design team opted to focus on developing and testing Option 2.²

² The AIMS-SEEP team's choice of a cross-sectional design disagrees with the position taken by Sebstad and Barnes in the AIMS paper, Guidelines for Microfinance Impact Assessments (March 2000); The design team endorses this option for reasons of cost and rapid access to results, both of which make this option the most practical for busy practitioners.
**Figure 4A-1** — Pros and Cons of Various Research Designs for the AIMS Practitioner’s Impact Survey

<table>
<thead>
<tr>
<th>Cross-sectional Design</th>
<th>Interview Clients Only (for Option 2 incoming clients act as comparison group)</th>
<th>Interview Clients and Comparison Group of Non-clients</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPTION 1</strong></td>
<td>“Mature” clients (n=100): those in the program long enough to exhibit impact.</td>
<td></td>
</tr>
<tr>
<td>Pros</td>
<td>Get impact information more quickly. Survey and analysis are less expensive with only one data collection round.</td>
<td></td>
</tr>
<tr>
<td>Cons</td>
<td>Aim is to understand change over time; cross-sectional study gives information about only one point in time.</td>
<td></td>
</tr>
<tr>
<td>Measure change by</td>
<td>1. Clients' self-reports since joining the program; or 2. Comparison to targets set by program; or 3. National- or department-level data.</td>
<td></td>
</tr>
<tr>
<td>Pros</td>
<td>Most inexpensive, simple, and straightforward option because sample size is small with one group. Have prior contact and relationship with clients, so they are easy to sample and locate. Analysis is easy because self-reported change does not require comparisons of two groups.</td>
<td></td>
</tr>
<tr>
<td>Cons</td>
<td>Requires that non-client comparison group comes from similar types of communities and have similar characteristics as the clients. Not as good as Option 2 because non-clients did not self-select to join the program and could be systematically different from client sample so likely to be greater self-selection. Also question of who to interview in non-client families/households? Maybe several adults in same family/household engage in enterprise activity.</td>
<td></td>
</tr>
<tr>
<td>Estimated cost</td>
<td>Assume 100 interviews: approximately $4,000-$7,000.</td>
<td></td>
</tr>
</tbody>
</table>

| **OPTION 2 (used for tools tests)** | “Mature” clients (n=100) vs. “new or incoming” clients (n=100–people not in program long enough to expect impact). ( Could include two mature client samples with different lengths of program exposure, as with Mali test.) |
| Measure change by        | Comparing responses of mature clients to those of new clients, assuming that groups have similar characteristics; any differences due to greater exposure to program. |
| Pros                    | Better than Option 1 because of comparison group (new clients). Even though cross-sectional, get sense of time (before/after the program) by including clients with different degrees of program exposure. Easier to locate and sample clients because have prior relationship with them. New clients are likely to be a more valid comparison group than randomly selected non-clients since they self-selected to the program. |
| Cons                    | Requires new and mature clients come from similar types of communities and have similar characteristics. Requires coordination between implementation and evaluation plan since need pool of new clients who ideally have “joined” the program but have received little to no services yet. Possible self-selection problem since not all clients stay in the program; those who stay may be systematically different. |
| Estimated cost           | Assume 200 interviews (100 each group): more than 2x estimated costs for Option 1 because more complicated logistics/analysis—$9,000-$14,000. |

| **OPTION 3**            | “Mature” clients (n=100) vs. non-clients (n=100) comparison group (randomly selected individuals from similar “types” of communities not included in program and not receiving similar program). |
| Measure change by        | Comparing responses of clients and comparison group. |
| Pros                    | Better than Option 1 because have comparison group, and rather than depend on clients' self-reported change, can see difference “with” and “without” program. |
| Cons                    | Requires that non-client comparison group comes from similar types of communities and have similar characteristics as the clients. Not as good as Option 2 because non-clients did not self-select to join the program and could be systematically different from client sample so likely to be greater self-selection. Also question of who to interview in non-client families/households? Maybe several adults in same family/household engage in enterprise activity. |
| Estimated cost           | Assumed to be comparable to Option 2: $9,000-$14,000. |
### Chapter 4-A

#### Learning from Clients: Assessment Tools for Microfinance Practitioners

**Figure 4A-1 (continued)**

<table>
<thead>
<tr>
<th>Longitudinal Design</th>
<th>Interview Clients Only (for Option 5) incoming clients act as comparison group</th>
<th>Interview Clients and Comparison Group of Non-clients</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPTION 4</strong></td>
<td>Trend: different people interviewed in T1 and T2.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>T1: conduct baseline interview with “new” clients or in new program communities (n=150).</td>
<td></td>
</tr>
<tr>
<td></td>
<td>T2: go back to same communities or groups and interview different “mature” clients. Compare change over time between two groups (n=150).</td>
<td></td>
</tr>
<tr>
<td><strong>Pros</strong></td>
<td>Opportunity to look at change over time, which is what want to evaluate.</td>
<td></td>
</tr>
<tr>
<td><strong>Cons</strong></td>
<td>Requires several years before have impact results. More expensive and more complicated to analyze. Need larger samples to compare results from two surveys.</td>
<td></td>
</tr>
<tr>
<td><strong>Estimated cost</strong></td>
<td>Assume 300 interviews: $12,000-$21,000.</td>
<td></td>
</tr>
<tr>
<td><strong>OPTION 5</strong></td>
<td>Panel: same people interviewed in T1 and T2.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Like Option 4, but interview same clients in both time periods.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>T1: do baseline interview with “new” clients or in new program communities (N =300).</td>
<td></td>
</tr>
<tr>
<td></td>
<td>T2: go back to same communities and re-interview same clients after they have been in the program a longer time. Compare change over time between two time periods (N =150).</td>
<td></td>
</tr>
<tr>
<td><strong>Pros</strong></td>
<td>Get sense of trend over time for clients.</td>
<td></td>
</tr>
<tr>
<td><strong>Cons</strong></td>
<td>No comparison group to know if general improvement or deterioration in the program area that might explain differences between T1 and T2. Common for baseline to be done in program community, but when program offered not everyone will join; so self-selection bias between T1 and T2 if do not interview “new” borrowers. Need bigger samples to compare results of two surveys.</td>
<td></td>
</tr>
<tr>
<td><strong>Estimated cost</strong></td>
<td>Assume 450 interviews: $20,200-$31,500.</td>
<td></td>
</tr>
<tr>
<td><strong>OPTION 6</strong></td>
<td>Panel: same people interviewed in T1 and T2.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>T1: compare “new” clients vs. non-client comparison group (see Option 3).</td>
<td></td>
</tr>
<tr>
<td></td>
<td>T2: re-interview same clients who are now “mature” clients vs. same non-client comparison group in T1 communities.</td>
<td></td>
</tr>
<tr>
<td><strong>Measure change by</strong></td>
<td>Comparing change from T1 and T2 for clients vs. non-clients.</td>
<td></td>
</tr>
<tr>
<td><strong>Pros (ideal design)</strong></td>
<td>Get sense of change over time for same clients, and by having comparison group, able to “control” for possible history effect (general change in the area not due to factors external to the program).</td>
<td></td>
</tr>
<tr>
<td><strong>Cons</strong></td>
<td>More expensive and complicated. Need large T1 samples because some people will leave the area or drop out of the program. For example, if 50% attrition over 2 years, need T1 sample of 300 people to ensure sample of 150 for T2. Logistics difficult to locate the same people to re-interview.</td>
<td></td>
</tr>
<tr>
<td><strong>Estimated cost</strong></td>
<td>Assume 800 interviews (T1, 300 clients and 200 non-clients; T2, 150 clients and 150 non-clients): $36,000-$56,000.</td>
<td></td>
</tr>
</tbody>
</table>

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Learning from Clients: Assessment Tools for Microfinance Practitioners

Tool 1: Impact Survey

Survey Objectives and Design
Chapter 4

Tool 1: Impact Survey

Part B

Survey Hypotheses and Indicators

B.1 Enterprise-level Hypotheses and Survey Indicators

B.2 Family/household-level Hypotheses and Survey Indicators

B.3 Individual-level Hypotheses and Survey Indicators

B.4 Community-level Hypotheses and Survey Indicators

B.5 Indicators of Client Satisfaction and Feedback

B.6 Mediating or Independent Factors

B.7 Client Demographic Socioeconomic Indicators

B.8 Program Participation Indicators

B.9 Community Characteristics
Survey Hypotheses and Indicators

Chapter 4, Part B identifies the specific indicators included in the generic Impact Survey. The first part of the chapter presents the hypotheses organized by the four levels of impact outlined in the conceptual framework used by AIMS—enterprise, family/household, individual, and community. Following each hypothesis are its indicators, its corresponding survey question numbers, and a discussion of the rationale for (and/or issues related to) using these indicators based on experience. The second section of this Part B provides demographic and program participation indicators.

For anyone choosing to use a survey as part of a client assessment, the AIMS-SEEP Impact Survey offers a tested model and a starting point. But each user will have to adapt the hypotheses (re-word, add, delete) to the specific program and assessment objectives. New hypotheses will require corresponding indicators and survey questions. Chapter 4, Part D, “Adapting the Survey” offers guidance on how to carry out the process of adaptation.

B.1 Enterprise-Level Hypotheses and Survey Indicators

Impact Domain: Financial Performance

Hypothesis: Participation in the microfinance program increases enterprise income

Survey Questions: #16, #17 & #18

Indicators:

- Enterprise costs in last four weeks—up to two activities - #16.d. & #17.d.
- Enterprise revenue in last four weeks—up to two activities - #16.e. & #17.e.
- Estimated net revenue (revenue minus costs) in last four weeks (Calculated by the computer by subtracting total costs (d) and total revenue (e)).
- Client’s estimation of “profit” in the last 4 weeks for up to two activities - #16.f. & #17.f.
- The percentage of interviewees who had “no difficulty,” “some difficulty,” or “a great deal of difficulty” in estimating costs, earnings and net cash flow. (Note: This question is answered by the interviewer as a check on the validity of the answers to #16 and...
#17. If a majority of respondents had a great deal of difficulty answering these questions, the analyst may need to consider discarding the analysis of #16 and #17.

**Purpose and Issues**

The purpose of these indicators (enterprise costs, revenue, net revenue and estimated “profit”) is to quantify the economic returns from the respondent’s chief microenterprise activities. “Estimated profit” and “net revenue” are distinct in that the first refers to a respondent’s own estimation of the enterprise profit, whereas the latter is generated through a computer calculation of the respondent’s reported revenue minus reported costs.

Because it is so difficult to collect information on financial returns, a number of steps were taken to improve the accuracy of the estimates: (1) the reporting period—the last four weeks—is relatively short and recent, which should improve client recall; (2) the line of questioning allows amounts to be reported for one-week, two-week, or monthly periods, depending on which is most appropriate for the product or service of that enterprise—that information is then converted to cover 4 weeks during the coding before inputting into the computer; (3) information is collected for up to two distinct enterprise activities since it is common for poor households to pursue diversified sources of income; and (4) the interviewer is asked to rate the respondent’s ability to provide this financial information. This rating is useful for assessing the quality (validity and reliability) of the information. For programs that try to improve clients’ ability to assess enterprise returns, this rating can also serve as a proxy impact indicator for clients’ development of this skill. Even when it is fairly accurate, the information still has two inherent limitations. Because enterprise returns can be highly variable, profits in a given month may not adequately represent overall return or profitability. Also, the income from one enterprise represents only part of an individual’s or a family/household’s overall livelihood strategy; focusing only on its quantification ignores other possible opportunity costs. For example, enterprise returns may increase because of reduced labor and other resource allocation to alternative productive activities.

This net income flow section is perhaps the most complicated part the Survey. This series of questions requires considerable time during the interviewer training and the interview process. (See Appendix 4.1, “Interviewer Training for the Impact Survey”—located on the CD—for exercises and examples to improve data collection for these challenging indicators.) The potential of a seasonal bias is also an important consideration for indicators that focus on a
relatively short reporting period. You will want to find out if the time period being asked about (for example, last four weeks or product cycle) had an average, high, or low yield. If follow-up interviews are planned, they need to be conducted at the same time of year—ideally the same month—to ensure comparability.

**Impact Domain: Financial Performance**

**Hypothesis:** Participation in program leads to changes in business practices associated with profitability.

**Survey Questions:** #21, #25 and #26a-b.

**Indicators**

**Regarding business practices in the past 12 months,**
- Percentage who expanded the size of enterprise facility - #21.a.
- Percentage who added new products to their enterprise - #21.b.
- Percentage who hired more workers - #21.c.
- Percentage who improved the quality or desirability of their products (added value) - #21.d.
- Percentage who reduced enterprise costs by buying inputs in greater volume or at wholesale prices - #21.e.
- Percentage who reduced costs with cheaper source of credit - #21.f.
- Percentage who developed a new enterprise - #21.g.
- Percentage who sold in new markets/locations - #21.h.

**When starting a new business:**
- Percentage of interviewees who choose an enterprise by tradition (that they are familiar with) or by imitation (because others are doing it) - #25.1.
- Percentage of interviewees who choose an enterprise based on whether the product/service is in demand or whether it seems profitable - #25.2.
- Percentage of interviewees who choose an enterprise based on how much working capital is needed or whether they have enough money - #25.3.
- Percentage of interviewees who choose an enterprise based on whether they can do it and still take care of family and other responsibilities - #25.4.
Chapter 4B

• Percentage of interviewees who start a new enterprise to diversify their overall business and/or income - #25.5.

When operating a business:
• Percentage who keep their enterprise money separate from money for personal or household expenses - 26.a.1
• percentage of clients who adopted this practice since joining the program - #26.b.2
• Percentage who calculate profits based on records of costs and earnings - #26.a.b.2
• percentage of clients who adopted this practice since joining the program - #26.b.2
• Percentage who know which products bring them the most profit - #25.2; #26.a.3
• percentage of clients who adopted this practice since joining the program - #26.b.3
• Percentage who pay themselves a wage for their work in their enterprise - #26.a.4
• percentage of clients who adopted this practice since joining the program - #26.b.4
• Percentage who have a fixed location with protection from sun/rain for selling their products - #26.a.3
• percentage of clients who adopted this practice since joining the program - #26.b.5
• Percentage who have a fixed location for producing or storing their products different from the location where family lives (This does not have to be another structure in another location; may be a separate room in the same house or a specific location in the house) - #26.a.6
• percentage of clients who adopted this practice since joining the program - #26.b.6

Purpose and Issues

Three survey questions focus on business decisions, skills and practices. Given the difficulty in collecting accurate information on enterprise returns, qualitative changes in the nature of the enterprise can be useful proxy indicators for increases in revenue in Hypothesis 1 or direct indicators for Hypothesis 2. Business expansion, additional workers, and new products can serve as proxy indicators for increased revenue and a ‘potential’ increase in profitability.

The second and third groupings of indicators assess the respondent’s enterprise management knowledge and practices. The second group captures the response to the open-ended question, “When you are deciding to undertake an enterprise, what factors do you consider?” Typically, a new, inexperienced entrepreneur focuses more on “supply” than on “demand” considerations. For example, the entrepreneur selects his or her enterprise activity primarily
on the basis of personal familiarity with the work, rather than on whether the product or service is in demand or likely to yield profitable returns.

The third set of indicators focuses on management practices in ongoing businesses. They require adaptation to individual programs’ specific impact goals and target clientele. For example, the indicator under #26.a.4: “Do you pay yourself a wage for your work in...” is only appropriate for those programs that encourage clients to pay themselves a wage in an effort to make the returns they are earning more tangible. Capturing a range of enterprise types, the selected indicators of business management reflect progression from the initial stages of microenterprise viability to more mature, growth-oriented businesses. But each program should measure those management practices they are most interested in promoting among their clientele.

Other possible indicators
- Percentage who expanded their inventory
- Percentage who received credit from new suppliers

Impact Domain: Income-Smoothing Effect

Hypothesis: Participation in the program assists clients to survive periods of reduced cash flow.
Survey Question: #33-34

Indicators
In last 12 months:
- Percentage of interviewees who at some point were unable to conduct an enterprise because of lack of money - #33.a.
- Average length of the period interviewee was unable to conduct an enterprise because of lack of money - #33.b.
- Percentage of interviewees who had difficulty paying their loan - #34.a.
- Specific causes for payment problems (if they had difficulty paying loan) - #34.b.

Purpose and Issues
The purpose of the indicators is to capture the income-smoothing effect microenterprise services can have, especially for relatively poorer entrepreneurs who are more vulnerable to shocks and likely to have fewer alternative sources of credit or savings. The services assist the
entrepreneur to continue in business rather than stopping and starting the income-generating activity due to a lack of adequate cash flow.

**Impact Domain: Enterprise Resource Base**

**Hypothesis**
Participation in the program over a period of years increases enterprise assets.

**Survey Questions**
#22 and #12

**Indicators**

**In last 12 months:**
- Percentage who purchased small tools/accessories - #22.a.
- Percentage who purchased major tools/equipment/machinery - #22.b.
- Percentage who purchased own means of transportation (primarily for the business), such as bicycles, carts, motorcycles - #22.c.
- Percentage who invested in a storage structure - #22.d.
- Percentage who made a minor investment in their production or marketing site (such as a chair, table, display case, shed) - #22.e.
- Percentage who invested in structures for their marketing site (kiosk, shop) - #22.f.
- Percentage of those who used their last loan to increase their working capital - #12.b.1., #12.b.2., #12.b.3.
- Percentage of those who used their last loan to invest in agricultural or animal raising inputs - #12.b.4.
- Percentage of those who used their last loan to invest in fishing inputs - #12.b.5.

**Purpose and Issues**

The purpose of these indicators is to determine whether respondents have invested in assets that will build the resource base of the business. Rather than a more complicated attempt to value the net worth of the enterprise (current and/or fixed assets), this line of questioning aims to identify key enterprise assets that reflect a progression in enterprise development. An increase in assets may be considered a proxy indicator for past business profits that were invested in these items.

The assets listed in the lettered response categories under Question #22 will need to be adapted to the specific context of each program. For any particular clientele, program staff is
likely to be aware of threshold assets or investments that indicate improvement and increased net worth, such as specific types of marketing structures, tools, and accessories.

B.2 Family/Household-Level Hypotheses and Survey Indicators

Impact Domain: Household’s Income

Hypothesis  Participation in the program leads to increases in household income.
Survey Questions  #13, #14.a., #14.b., #14.c.
Indicators
Over the last 12 months...

- Percentage whose household income has decreased greatly - #13.1.
- Percentage whose household income has decreased - #13.2.
- Percentage whose household income has stayed the same - #13.3.
- Percentage whose household income has increased - #13.4.
- Percentage whose household income has increased greatly - #13.5.
- Percentage whose income has decreased greatly over the last twelve months - #14.a.1.
- Percentage whose income has decreased over the last twelve months - #14.a.2.
- Percentage whose income has stayed the same over the last twelve months - #14.a.3.
- Percentage whose income has increased over the last twelve months - #14.a.4.
- Percentage whose income has increased greatly over the last twelve months - #14.a.5.
- Percentage who said that “X factor” was the cause of their decrease in income - #14.b.
- Percentage who said that “X factor” was the cause of their increase in income - #14.c.

Purpose and Issues

The conceptual framework used by AIMS makes an excellent case for a broader household perspective. The fact that clients operate their businesses as part of a family/household unit means that changes in income in the individual’s business will likely affect changes in the household.
When tested in Honduras and Mali with small loans, however, the indicators measuring overall household income were relatively insensitive to program impact. In Mali, where very large families/households are the norm, these household indicators were not sensitive to change in income experienced by a single member (as measured in question #14). Nevertheless, these questions are included on the survey for programs particularly concerned about income at this level, such as those where households are relatively small and/or family enterprises are the norm. The sensitivity of this indicator is likely to increase with time in the program; as the entrepreneur’s income increases from a growing business, it will have more impact on household income. Questions pursuing why household income increased or decreased can be added to the survey if desired. (See Chapter 4, Part C “Optional Indicators and Survey Questions”.)

**Impact Domain: Household Assets**

**Hypothesis**
Participation in the program leads to increases in household assets.

**Survey Question**
#27

**Indicators**
For each of three categories of assets based on typical cost ($100 or less; $100-1,000; over $1,000)

- Percentage owning “X” number of household assets - #27.a.
- Percentage of those having “X” number of these items in working condition - #27.b.
- Percentage acquiring additional household assets in last two years - #27.c.
- Percentage who acquired these households assets since joining the program - #27.d.

**Indicators calculated by the computerized statistical program for each of the three value categories:**
- Mean score of household assets currently owned (clients vs. non-clients)
- Mean score of household assets acquired in last two years (clients vs. non-clients)
- Mean score of household assets acquired since joining the program

**Purpose and Issues**
This line of questioning accomplishes two purposes: 1) it uses a context-specific consumer index to reflect the household’s relative socioeconomic status; and 2) it helps determine relative direction of change in the household’s inventory of assets by asking if the items were acquired in the last two years. Finally, to link asset acquisition to the program, interviewers ask clients if the assets were acquired since joining the program.

For this indicator to be meaningful and function well, it must be revised for each program area because assets that are markers for increasing wealth vary by region. For example, in southeastern Mali a pushcart or a large clay pot are highly sought-after assets that indicate a progression of relative wealth. By contrast, in more economically developed Honduras, when clients have more income, they invest in time-saving appliances like refrigerators. Interviews with key informants can help identify which assets distinguish a household as being relatively better off or which ones people typically acquire as they accumulate more wealth. When preparing an asset list appropriate to the program setting, it is advisable to limit the number of assets included because this information can take a lot of time to collect and analyze. For simplicity sake, the asset index in this survey focuses only on the quantity and ownership of assets, rather than their economic value. To improve the comparative power of the indicator, assets are grouped according to relative value based on their typical cost; assets of modest value are less than $100; assets of mid-range value are between $100 and $1,000; and assets of high-range value are greater than $1,000. These value ranges could also be modified according to the context of the program and local economy.

**Impact Domain: Household Expenditure**

**Hypothesis**

Participation in the program leads to increases in household welfare (in such aspects as education, housing, food security)

**Use of loan money and enterprise profits**

**Survey Questions**  #12a., #12c., #20

**Indicators**

- Percentage of respondents that used part of loan in the business - #12.a.
- Percentage of respondents that used part of loan to buy food for the household - #12.c.1.
- Percentage of respondents that used part of loan to buy clothing or a household item - #12.c.2.
• Percentage of respondents that used part to loan to give or lend to spouse or other person - #12.c.3.
• Percentage of respondents that used part of loan to keep money on hand for an emergency or to repay the loan - #12.c.4.
• Percentage who used profit from their enterprise to buy food - #20.1.
• Percentage who used profit from their enterprise to buy clothing - #20.2.
• Percentage who used profit from their enterprise to pay school expenses - #20.3.
• Percentage who used profit from their enterprise to pay health-related costs - #20.4.
• Percentage who used profit from their enterprise to buy items for the house - #20.5.

**Purpose and Issues**

This series of indicators captures how clients invest both loan funds received from the program and enterprise profits. The other indicators for this hypothesis are broken down into sections of education, housing and food security. The funds used to increase these elements of household welfare may come from the loan money, the cash flow of the business, profits or savings of the entrepreneur. Clients are compared to non-clients since the hypothesis is that the clients should be doing better economically and contributing more to these elements of household welfare.

**Education**

Survey Questions  
#10, #11

Indicators

• Percentage whose school expenditures for the current school year have increased, stayed the same or increased relative to last school year - #11
• Percentage of school-aged children who are currently in school - #10.b. divided by #10.a.
• Percentage of school-aged children who never went to school - #10.c. divided by #10.a.
• Highest grade in school completed by any children in the household - #10.d.
The purpose of these indicators is to capture changes in school expenditures, school enrollment, and educational attainment of the entrepreneur’s children. The generic Impact Survey includes only a retrospective and tendency question about education-related spending. Efforts to quantify school spending were unsuccessful, especially in Mali where a large percentage of respondents were unable to give specific amounts. Both tools tests also collected school enrollment information for every school-age child in the household (see the optional question in Chapter 4, Part C), but this data proved too complex to analyze for this type of evaluation. The summary indicators “percentage of school-aged children currently in school” and “percentage who never went to school,” however, are more easily captured through fewer, more summative questions (see survey questions #10-11). You will need to revise Question #10 to reflect the range of school ages in your country.

Other possible indicators:
- Reasons for change in educational spending (some reasons are likely to be unrelated to available income, such as a new child in school, an increase in school fees, etc.).
- Percentage who used enterprise profits to increase educational spending.

Housing
Survey Questions #28, #29

Indicators
In the last two years:
- Percentage who made repairs, improvements, or additions to their home that cost more than US$50 - #28
- Percentage who made housing repairs or improvements (i.e., fixed or improved existing roof, floor, or walls) - #29.1.a.
- Percentage of clients who made the improvement while in the program - #29.1.b.
- Percentage who expanded the house (i.e., built new room, shed, attic, or fence) - #29.2.a.
- Percentage of clients who made the improvement while in the program - #29.2.b.
- Percentage who improved water or sanitation system (i.e., new well, drainage/sewage system, showers, or latrine) - #29.3.a.
- Percentage of clients who made the improvement while in the program - #29.3.b.
- Percentage who improved lighting (i.e., electricity, gas, kerosene, etc.) - #29.4.a.
- Percentage of clients who made the improvement while in the program - #29.4.b.
Purpose and Issues

The purpose of these indicators is to capture improvement in housing. It is especially important to tailor the housing changes and improvements to the particular program context. For example, in Honduras, electricity is one of the specific housing-related investments people make. In rural Mali, acquiring a kerosene lamp is a more appropriate indicator. In addition to developing context-specific home improvements, you will need to decide if the length of time (two years) and the minimum amount of money spent in Question #28 is appropriate for your area. Following the tools test in Mali, a minimum amount spent on housing was added to Q. #28 since virtually all households make housing improvements each year, given the relatively temporary nature of their building materials (e.g., grass roofs and mud walls).

Efforts to quantify spending on certain housing improvements listed in #29 were unsuccessful, especially in Mali, where a large percentage of respondents were unable to give specific amounts.

Diet and Food Security

Survey Questions #30-32

Indicators

- Percentage whose household diet in the last twelve months worsened, stayed the same, or improved - #30.
- How the diet has worsened (if it did - descriptive) - #31.a.
- How the diet has improved (if it did - descriptive) - #32.b.
- Percentage whose household had to eat less or eat less well in the last twelve months - #32.a.
- Average length of “hungry” period - #32.b.

Purpose and Issues

The purpose of the first indicator is simply to capture the direction of change in the quality of the family/household diets. The next two follow-up indicators are descriptive in nature and collect information about how the diet has improved or worsened. There are some pre-coded answers for 32.b. A program could choose to pre-code some answers for 31.a. based on its
knowledge of the client base. Because food is very context specific, the pre-coded answers need to be adjusted to the program’s clients.

The purpose of the final two indicators is to capture the household’s relative food security. The concept of a “hungry” season, when the harvest from the previous year is either depleted or running low, is common in rural areas of the developing world. Higher food prices are common during this period of relative food scarcity. These indicators assess whether a household experienced a period of more acute food insecurity when it was necessary to eat less or eat less well. If so, then the final indicator measures how long this period lasted. Even in the same communities, some households will be buffered from the effects of such a period, while others experience it for many months in the year. The hypothesis is that the clients will experience hungry seasons less often or that they will suffer them for shorter periods of time than non-clients.

That these indicators, especially those focused on food insecurity, are not very specific is a drawback. The concepts of “improvement” or “eat less well” are general and subjective and may differ from respondent to respondent. During training, interviewers need to develop a common understanding of the criteria.

B.3 Individual-Level Hypotheses and Survey Indicators

Impact Domain: Personal Savings

Hypothesis  Participation in microenterprise services leads to increased personal savings.

Survey Questions  #23, #24

Indicators

- Percentage who had personal savings at the time of the interview - #23.
- Percentage whose personal savings decreased greatly over the last twelve months - #24.1.
- Percentage whose personal savings decreased over the last twelve months - #24.2.
• Percentage whose personal savings stayed the same over the last twelve months - #24.3.
• Percentage whose personal savings increased over the last twelve months - #24.4.
• Percentage whose personal savings increased greatly over the last twelve months - #24.5.
• Average amount of clients’ personal savings in the program at time of interview—from information filled in from database before interview on Interviewee Data Form.
• Percentage who had deposited with the program more than the required amount of savings—from information filled in from database before interview on Interviewee Data Form.

Other possible indicators
• Percentage who reported “X” was the reason for the decrease or increase in savings (Could be added to Question #24 as follow-up questions, similar to 14.b. and 14.c.)

Purpose and Issues

The purpose of these indicators is to determine if clients’ individual savings have increased in the past 12 months. To answer these questions, the respondent has to consider income from all her productive activities, not just the enterprise supported by the loan. A focus on the individual’s overall savings is likely to be more sensitive to program impact than questions about general household income, particularly in areas where large households with many economically active adults are common. The SEEP team opted to focus on personal cash savings since non-liquid “savings,” such as animals or other assets, are the focus of other questions. The indicator focuses on “personal,” rather than “household,” savings because these amounts might be guarded information that is not even shared with other members of the household. In addition, because an entrepreneur’s personal savings are more likely to be a result of her own effort, it can serve as a proxy indicator for women’s increased control over financial resources.

Programs will need to clearly define the concept of savings for this set of indicators, especially those that include a savings (either mandatory or voluntary) component. The question needs to specify if the respondent should report on savings held outside, as well as on deposit with, the program (e.g., “aside from the savings you have in the communal bank.”). If the clients have a savings passbook with the program, the interviewer can be instructed to ask to look at the passbook and note this information on page 1 during the interview.
B.4 Community-Level Hypotheses and Survey Indicators

Impact Domain: Child Labor

Hypothesis 14 Participation in the program reduces problematic child labor in clients’ enterprises.

Survey Question #19

Indicators
- Number of young children (under 11 years) and older children (11-17 years old) assisting with either of the two principal income-earning enterprises in the last four weeks
- Number of young children (under 11 years) and older children (11-17 years old) who missed school in the last four weeks or never enrolled to assist the entrepreneur

Related Demographic Indicator
- Number of school-age children (6 to 17 years) in the household who never went to school - #10.d.

Purpose and Issues

The purpose of this hypothesis and these indicators is to explore whether program services have the unintended negative effect of drawing children from school so that they can help with the enterprises that were stimulated due to the program’s loans. This hypothesis refers to any children, not only the client’s own children, since the negative effect could extend outside the immediate family to other children working for the entrepreneur. A challenge in using the indicator arises from the difficulty of knowing if children were never enrolled in school so that they could work for the enterprise.

Other possible indicators:
- Number of hours per day that school-aged children support the client’s microenterprise.
Chapter 4B

- Number of children from the home who help the client’s microenterprise.
- Number of children from outside the home who help the client’s microenterprise.

**Impact Domain: Employment**

**Hypothesis** Participation in the program increases employment in the clients’ community.

**Survey Question** #21.c.

**Purpose and Issues**

This indicator captures employment generated by the enterprise and thus the income-earning opportunities in the community. Questions about employment, however, are relevant only for those programs targeting clientele whose economic position enables them to hire labor. Many programs target clients too poor or unstable to hire workers. Thus, employment impact is included only in question #21.c., which explores changes made to the enterprise over the last twelve-month period as a proxy indicator for enterprise development and financial return. Programs offering larger loans to more established enterprises are likely to assign a higher priority to this hypothesis and will need to develop additional indicators and questions to test it.

**B.5 Indicators of Client Satisfaction and Feedback**

Questions pertaining to clients’ likes, dislikes, and programmatic recommendations are included in the Impact Survey, even though they do not pertain to any specific SEEP impact hypotheses. One of the advantages of a sample survey is that it can provide a random sample and representative sense of clients’ experiences and opinions. Program managers have been surprised to learn what their clients like “best” and “least” about the microenterprise program, and have studied their recommendations for its improvement. Client satisfaction is closely linked to impact, since whether and how a program serves its clients’ needs will very often affect the degree and nature of its impacts. Furthermore, positive impacts increase client satisfaction and motivation to remain in the program, thus increasing the probability of positive returns.
**Impact Domain: Client Preferences**

Survey Question  #35

**Indicators**
- Percentage of clients interviewed reporting they liked “X” feature of the program
  (The question asks the client to name three features of the program they like most.)

**Impact Domain: Client Dislikes**

Survey Question  #36

**Indicators**
- Percentage of clients interviewed reporting they did not like “X” feature of the program
  (The question allows the client to name three features of the program they like least.)

**Impact Domain: Client Recommendations**

Survey Question  #37

**Indicators**
- Percentage of clients interviewed recommending “X” change to improve the program
B.6 Mediating Factors: Demographic Indicators, Program Participation Indicators and Community Characteristics

Domain: Demographic and Socioeconomic Indicators

Survey Questions: Principally #2 through #12, #15

Purpose and Issues

There are no hypotheses for mediating or independent factors. However, presented with the demographic profile of the random client sample, program managers often have been surprised by information that contradicts their assumptions concerning who their clients are. In data analysis, demographic characteristics are often used for cross tabulating with the results of a survey question.

B.7 Indicators of Client Demographics and Socioeconomic Status

Of the Respondent:

- Gender - on the Interviewee Data Form
- Age - on the Interviewee Data Form
- Marital or co-habitational status - #4
- Years of formal education - #5
- Percentage functionally literate (able to read a letter) - #6

Of the Respondent’s Household:

- Head of Household - #9
- Percentage female-headed households - #9
- Number of adults (over 18 years) - #7.a.
Chapter 4B

**Of the Respondent's Children in Household:**
- Number of children (less than 18 years) - #7.b.
- Number of school-aged children - #10.a.
- Number of school-aged children in the household who are currently attending school - #10.b.
- Number of school-aged children in the household that are being helped economically by the business - 10.c.
- Highest grade in school completed by any of the children - #10.e.
- Number of younger children (less than 11 years old) helping with the business in the last 4 weeks - #19.1.
- Number of older children (11 to 17 years) helping with the business in the last 4 weeks - #19.2.

**Of the Respondent's Household Economy:**
- Dependency ratio (number of adult workers/number of household members) - #8.a. divided by (#7.a. + #7.b.).
- Average number of salaried workers in the household - #8.b.
- Percentage of households with a salaried worker - #8.b.
- Percentage of interviewees that have worked for another person or institution and earned a salary or other income in the last 4 weeks - #15.a.
- Percentage of interviewees who only worked at their own business or other income-generating activity in the last 4 weeks - #15.b.
- Ownership of productive and consumer assets meant to reflect relative wealth in the area - #27.
- Type of enterprise activity with the most income - #16.b. and #17.b.

**Of the economic sector in which the client invested the last loan:**
- Investment of a portion of last loan in commerce/retail trade - #12.b.1.
- Investment of a portion of last loan in manufacture/processing - #12.b.2.
- Investment of a portion of last loan in services - #12.b.3.
- Investment of a portion of last loan in agriculture - #12.b.4.
- Did not invest last loan in an income-generating activity - #12.b.98.
Chapter 4B

Purpose and Issues

Much of the first part of the Impact Survey focuses on information pertaining to the respondents’ characteristics. Information such as a respondent’s age, education level, and socioeconomic status includes critical mediating factors for program impact. This type of information is also critical to assess the comparability of survey sample groups, which is particularly important for impact surveys with a cross-sectional design. If the sample groups are systematically different in their demographic or socioeconomic characteristics, this fact—rather than the impact of the program—might explain differences found in outcome indicators. Typically, the first step in data analysis is to compare the client and non-client characteristics of the samples. If significant differences are found, this information needs to be factored into any subsequent analysis and comparison of impact areas.

B.8 Indicators of Participation in Microenterprise Services

Survey questions: #1, 2, 3, 12.a., 34, and the Interviewee Data Form and the Interviewee Data Form.
These indicators refer to survey information collected from program records and the first few questions on the Survey.

Indicators of Participation in the current Program:
- Length of time participating in the microenterprise program - #1.b. and the Interviewee Data Form
- Amount of current loan - Interviewee Data Form
- Increase in borrowing since joining the program (current loan – initial loan)–can be calculated from the information on the Interviewee Data Form
- Number of loans directly from the program (external account) - Interviewee Data Form
- Cumulative value of loans received (need a good MIS to include this indicator)–can be calculated from info on Interviewee Data Form and program MIS by adding up the principal amount of each loan received from program.

Indicators of Clients with Payment Difficulties:
- Percentage reporting that they faced repayment problems with last loan - #34.a.
• Percentage reporting specific reason “X” for having problems paying loan - #34.b.

**Indicators of Savings Participation**

• Amount of current savings with the program - Interviewee Data Form.
• Percentage of savings above the required minimum - can be calculated from Interviewee Data Form.
• Number who invested last loan in an income-generating activity - #12.a.
• Number of persons who have withdrawn savings from the program - Interviewee Data Form.
• Amount of savings withdrawn - Interviewee Data Form.

**Indicators of participation in other credit programs:**

• Currently borrowing from another source for your enterprise - #2.a.
• From what other source - #2.b.

**Purpose and Issues**

Another factor closely associated with program impact is the nature and amount of microenterprise services a client receives. The Impact Survey and Interviewee Data Form ask for information about loan size and how long the client has been in the program, both of which usually can be collected from program records. Analysis that disaggregates impact by this type of programmatic information can be very useful. To help establish the link between the program and differences in the outcome variables under study, your analysis can include questions such as:

• Are larger loans correlated with larger enterprise income or less likelihood of repayment difficulties?
• Are longer-term clients more likely to exhibit a greater degree and range of program impacts?
Community characteristics are another important mediating factor (see Figure 4B-1). For example, a community’s relative remoteness or commercial development may influence many of the impact outcome indicators proposed in this Part B of Chapter 4. Typically this information is included in the sampling strategy. Additional detail, however, might also be collected for each studied community and incorporated into the analysis. Since this is community-level rather than individual-level information, its collection need not be incorporated into questions in the generic Impact Survey. Instead, information pertaining to key community characteristics can simply be obtained from selected key informants while the impact surveys are underway.
Chapter 4

Tool 1: Impact Survey

Part C

Optional Indicators and Survey Questions

C.1 Optional Indicators and Questions Responding to Specific Program Interests

C.2 Optional Indicators and Questions Requiring More Complex Analysis

C.3 Questions Unrelated to Specific AIMS Hypotheses
Optional Indicators and Survey Questions

The survey instrument tested in Mali and Honduras was longer than the tool presented at the beginning of this chapter. Several questions were deleted from the survey after the two tests for two broad reasons. Either:

- Questions were not sensitive enough to capture any significant differences between the client and comparison groups in Mali and Honduras; or
- Their data collection, coding, and/or analysis proved too complicated for a practitioner-led evaluation.

Given the inevitable exceptions to both of these reasons, however, the questions that were tested, but subsequently deleted, are presented here as options for organizations to consider including in response to their specific programmatic priorities. In the first category of optional questions, it is possible that the questions will prove more effective in different settings and be important enough to an organization to merit inclusion; similarly, organizations can address the complexity of the questions in the second category if priorities justify allocating the time and expertise they require.

For each optional item in this section, you will find the hypothesis, the indicator, the actual survey question and the test experience that explains why the question was deleted from the core survey. This information is provided to help evaluators learn from the experience and errors of the AIMS-SEEP teams.

C.1 Optional Indicators and Questions
Responding to Specific Program Interests

The questions in this section may not be sensitive enough to capture impact, but they may respond to special programmatic interests.

Hypothesis: Participation in microenterprise services leads to increased welfare at the household level in such areas as food security, housing, health and education.
Chapter 4C

**Education of Children**

**Indicators:**
Age, gender, attendance, and grade completed for all children in household

**Question:**
Now I would like to ask about the children in the household that are of school age (5-17 years). Please tell me:

<table>
<thead>
<tr>
<th>Child’s first name</th>
<th>a. Child’s age (in years)</th>
<th>b. Child’s gender 1. Male 2. Female</th>
<th>c. Present or last grade completed. (If never attended, put 0.)</th>
<th>d. Does the child currently attend school? 1. Yes 2. No (If no, skip e.)</th>
<th>e. For the current school year, how much did your household spend on school fees and other education expenses for this child?</th>
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**Test experience:**
This information was collected for each school-aged child. This more disaggregated approach required considerable time, especially for data entry and analysis, and has been replaced by summary questions in the final version of the survey (see questions 9a-9d). However, for organizations particularly interested in impact on education, this approach potentially allows for analysis of school enrollment and spending by gender and age group.
Diet and Food Security

Indicators:
Mean number of times respondents ate certain good-quality foods sensitive to income changes in last three days (meat/fish/chicken, eggs, salad, onions, beans)
Mean amount spent by household on certain good-quality foods sensitive to income changes in last three days (meat/fish/chicken, eggs, salad, onions, beans)

Questions:

<table>
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<tr>
<th>Read horizontally and probe</th>
<th>In the last three days, how many times did you eat the following foods?</th>
<th>In the last three days, how much would you estimate your household spent on these foods?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. meat/chicken/fish</td>
<td>[____<strong>] times [</strong>] 99. Don’t know</td>
<td>[____________<strong>] amount [</strong>] 99. Don’t know</td>
</tr>
<tr>
<td>b. eggs</td>
<td>[____<strong>] times [</strong>] 99. Don’t know</td>
<td>[____________<strong>] amount [</strong>] 99. Don’t know</td>
</tr>
<tr>
<td>c. milk</td>
<td>[____<strong>] times [</strong>] 99. Don’t know</td>
<td>[____________<strong>] amount [</strong>] 99. Don’t know</td>
</tr>
</tbody>
</table>

In the last week, was any income that you earned in your business used to purchase food?

[___] 1. Yes  [___] 0. No  [___] 99. Don’t know

Test experience:
The intent of these questions is to focus on foods like meat and eggs which are often sensitive to increases in income. However, in both tools tests, these questions were relatively time-consuming in terms of interviewer training and collection. In neither case were the indicators found to be sensitive to program impact, indicating either a genuine lack of change or an error for this line of questioning. However, organizations that are particularly interested in dietary impacts might elect to include similar questions to focus more intensively on this area. Additional indicators for food security developed by USAID are described in Figure 4C-1.
**Figure 4C-1. USAID Food Security Indicators**

Two promising indicators proposed for use by PL 480 Title II-funded programs are as follows:

- number of eating occasions (meals) per day
- number of different foods or food groups consumed (diet diversity)

Use the following specific questions to collect this information:

1. Yesterday, did you or anyone in your household consume
   - any food before a morning meal  
     yes no
   - a morning meal  
     yes no
   - any food between morning and midday meals  
     yes no
   - a midday meal  
     yes no
   - any food between midday and evening meals  
     yes no
   - an evening meal  
     yes no
   - any food after the evening meal  
     yes no

2. Yesterday, did you or anyone in your household consume
   - cereals  
     yes no
   - roots/tubers  
     yes no
   - legumes  
     yes no
   - milk/milk products  
     yes no
   - eggs  
     yes no
   - meat/offal  
     yes no
   - fish/seafood  
     yes no
   - oil/fat  
     yes no

(Question 2 continued) Yesterday, did you or anyone in your household consume
   - sugar/honey  
     yes no
   - fruits  
     yes no
   - vegetables  
     yes no
   - other (spices, sodas, etc.)  
     yes no

Analysis of the questions consists of simply totaling the number of “yes” responses. The pre-coded response must be adapted to the local context. Practitioners might consider testing and using these two indicators of food security.
**Health**

**Indicators:**

- Percent who had someone in the family who needed medical attention in last twelve months
- Sources of money to pay medical expenses (descriptive)
- Percent who used money from their enterprise (profit) to pay for the medical expenses
- Percent who had a family member in the last twelve months who was not taken for medical attention because the household lacked the money to pay for it

**Questions:**

During the last twelve months, was there an occasion in which you or a member of your family needed medical attention?

[___] 1. Yes (go to #43b)  [___] 0. No (go to #44)  [___] 99. Don’t know (go to #44)

Where did you get the money to pay these medical costs? (Don’t read. Multiple Answers possible.)

[___]1. From my business (profit)  [___]4. Borrowed money at cost (specify source, amount, and cost)

[___]2. From another household business or source of income.

[___]3. Borrowed from friends/family at no cost

[___]5. other (specify source, amount and cost)

[___]99. Don’t know

In the last twelve months, was any ill or injured member of the household not taken for medical attention or treatment because the household lacked the money to pay for it?

[___] 1. Yes  [___] 0. No  [___] 99. Don’t know
Chapter 4C

Test experience:
The purpose of these indicators was to assess whether microenterprise services provided clients with an increased ability to deal with medical crises and health costs. In both tools tests, this line of questioning demonstrated little to no difference between the client and non-client groups. It is difficult to know if this was due to a genuine lack of impact or if the indicators are not sensitive to change in this area. For this reason, the questions are included as optional for those programs particularly interested in exploring health impacts, but they are not part of the core Impact Survey.

Hypothesis: Participation in microenterprise services leads to increases in paid labor—and in the productivity of labor—for women, without negative consequences.

Hired Labor

Indicators:
Percent of respondents who had hired labor in the last four weeks to conduct their enterprise(s)
Mean number of full-time laborers assisting with the enterprise in the last four weeks
Mean number of part-time laborers assisting with the enterprise in the last four weeks
Mean number of occasional laborers assisting with the enterprise in the last four weeks

Question:
Not counting yourself, in the last four weeks how many persons did you pay to help you with this work? (Read.)

<table>
<thead>
<tr>
<th>Full-time (standard work week)</th>
<th>Part-time (employed for fewer hours than full time)</th>
<th>Occasional (irregular—by task)</th>
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Test Experience:
The test survey included this question for any and all income-generating activities respondents might have engaged in during the last four weeks. The team decided that increases in hired labor were not a major impact anticipated for poverty-lending programs that intentionally target relatively poorer households with the specific goal of poverty alleviation. The core Impact Survey still includes a question to capture trends in hired labor (see question #21) but additional efforts to quantify increases in hired labor are not warranted. While this information is straightforward to collect and analyze, the question is
only relevant for those programs targeting clientele whose economic position enables them to hire labor.

**Hypothesis:** Participation in microenterprise services leads to increased household income.

**Indicators:** Reasons why household income decreased or increased

**Questions:**
(If decreased) Why did your household’s overall income decrease? (Do not read. Multiple answers possible.)

[___] 1. Poor agricultural season
[___] 2. Family member lost employment
[___] 3. Illness or death in the family
[___] 4. Other (specify)

(If increased) Why did your household’s overall income increase? (Do not read. Multiple answers possible.)

[___] 1. Good agricultural season
[___] 2. Family member got employment
[___] 3. Loans from Credit with Education program
[___] 4. Other (specify)

**Test Experience:**
While the core Impact Survey includes a question about relative change in their household income, the team found that, in both sites, the factors that respondents identified as influencing change in household income were most often external to the microenterprise program and pertained to agricultural returns, change in employment status or sickness and/or death in the family. They were also left off the core survey to keep it from getting too long, but anyone interested in pursuing the reasons for change in household income can re-insert these as #13a and b.

**Hypothesis:** Participation in microenterprise services leads to increased assets.
Use of Savings

Indicators:
Percent who used their savings to buy food and clothing, to pay for health-related costs, to make improvements or additions to their houses, to pay for education, to pay for animals, and to pay for weddings or other ceremonies.

Question:
During the last twelve months, how have you used your savings? (Don’t read. Mark with a “1” for the way the interviewee has spent the most on, then a “2” for the second way, and a “3” for the third way.)

[___]1. Reinvested in my enterprise  [___]7. For weddings or other ceremonies
[___]2. Bought basic items for myself and my family like food and clothing  [___]8. Reduced debt
[___]3. For medicine or other health related costs  [___]9. Have not used savings
[___]4. Made improvements or additions to my house  [___]10. For cart or machine (specify)______________________
[___]5. For education costs  [___]11. other (specify)________________
[___]6. For animals  [___]99. Don’t know

Test experience:
The teams found that the “use of profit” and “use of savings” questions provided very similar answers, making the inclusion of both unnecessary. The core Impact Survey still includes questions to capture the trend changes in respondents personal savings.

Control over Resources

Hypothesis: Participation in microenterprise services leads to increased control over resources on the part of women clients.

Indicator:
- Relative say in household decision-making about (a) whether to take a loan, (b) how to use the loan, (c) what to buy for enterprise, (d) how to sell product, how to use profits, and (e) what work they do in a normal day
• Percent reporting not fully dependent on husband to want to buy for basic needs like food and clothing

Questions:
(For married women only) For the business which gives you the greatest earnings, who in your household decides...? (For each item, read the six possible answers in the columns. Mark the answer with an “X”.)

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<tbody>
<tr>
<td>Who decides...?</td>
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<tr>
<td>A. To take out a loan?</td>
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<td>B. How to use loans you have taken?</td>
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<td>C. What you buy for your business?</td>
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<td>D. How your product is sold?</td>
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<td>E. How to use profits from your business?</td>
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<td>F. What work you do during a normal day?</td>
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</table>

When you want or need to buy things like food or clothing for yourself or your family, which of the following answers best describes your situation? (Read answers.)

[___] 1. You have your own money so can usually buy what you need
[___] 2. You occasionally have to get the money from your husband or someone else in the household
[___] 3. You always have to get the money from your husband or someone else in the household
[___] 99. Don’t know
Test experience:
The series of questions about who makes decisions in the household pertaining to taking a loan, investing a loan etc. were dropped because the team felt that quantitative methods could not adequately capture impact of this type. Yet, examining decision-making is of particular interest to practitioners who intentionally or only serve women. A more in-depth, open-ended approach for exploring this impact hypothesis is part of the qualitative tool that focuses on women’s empowerment.
C.2 Optional Indicators and Questions
Requiring More Complex Analysis

Questions in this section have proved to be too complex.

Sources of Household Income

Question:
I am interested to learn about the activities that you and other members of your household undertook to earn a living during the last twelve months. (Read each activity.)

<table>
<thead>
<tr>
<th>Activity</th>
<th>During the last 12 months...</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Farming</td>
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<tr>
<td>B. Animal husbandry</td>
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<tr>
<td>C. Self-employed enterprise (specify)</td>
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<td>#1</td>
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<td>#2</td>
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<td>#3</td>
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<td>#4</td>
<td></td>
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<tr>
<td>D. Salaried worker or wage employment on regular basis</td>
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<tr>
<td>E. Casual labor or irregular wage employment</td>
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<tr>
<td>F. Other (specify)</td>
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</table>

Test experience:
The first tools test included a question meant to capture the diversity of household income sources. However, the detailed information this question generated required complicated data management and analysis techniques beyond the scope of this practitioner tool. This line of question would be more appropriate for a qualitative in-depth individual interview.
C.3 Questions Unrelated to Specific AIMS Hypotheses

Solidarity

Questions:

a. In the last twelve months were you a member of a group or association? Yes No

b. (If said yes to a) Can you tell me the ways in which being in a group helped you?

[____] 1. Provided support when I needed help
[____] 2. Given me business ideas and contacts
[____] 3. Offered me new friendships
[____] 4. Allowed me to develop my leadership skills
[____] 5. Gave me training and new information
[____] 6. Other (specify): ___________________

Test experience:

Microenterprise programs that use a group lending approach might be interested in capturing impact in this area by adding these two questions. Note also that the Exit Survey includes two questions that capture the social benefits that group lending can foster.

Alternative Credit Sources

Indicators:

Percent borrowing from source other than the microenterprise program in last twelve months to conduct their enterprise (from where?)
## Questions:

a. During the last twelve months, have you borrowed money to conduct your enterprise from a source other than the (insert organization name) program?

[___] 1. Yes  [___] 0. No  [___] 99. Don’t know

b. If yes, from what source did you borrow? (Read. Multiple answers possible)

[___] 1. Commercial bank/Credit Union  [___] 5. Tontine
[___] 2. Family/friend/money lender without cost  [___] 6. Program other than (insert organization name)
[___] 3. Family/friend/money lender at cost (specify)______________________  [___] 99. Don’t know
[___] 4. Wholesaler or supplier

## Test experience:

These two questions about alternative borrowing do not address any specific AIM S hypothesis. They were included in the test survey because practitioners often are interested in knowing whether their clients are also borrowing from other sources. Yet, only a few respondents reported alternative borrowing. Programs operating in a more competitive lending environment, however, might be interested in collecting this type of information as part of an impact assessment as credit from alternative, even informal sources, can have similar impacts as those of the program’s own financial services.
Chapter 4

Tool 1: Impact Survey

Part D

Adapting The Survey

D.1 The Impact Survey in Seven Modules with Question-by-Question Explanations

D.2 Selecting Hypotheses, Writing Good Indicators and New Questions

D.3 Testing the Revised Instrument

D.4 Case: CASHPOR’s Survey Revision
D.1 The Impact Survey by Module

The survey presented in this manual is a generic model. It will always need some adaptation in response to a program’s specific needs, client groups and contexts. PART D offers guidance for this adaptation, including:

- the separation of the survey into distinct modules;
- instructions for writing new indicators and questions; and
- an example of a significant variation on the survey that was used in Asia.

Modules in the Survey

This section provides a modular guide to the AIMS-SEEP Impact Survey. It is divided into seven modules that users can select and combine as fits their needs. The questions in each module are explained.

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</table>

MODULE ONE:

Client and Household Profile (Questions 1-11)

Individual level: basic information (questions #1.a.-6). The objective of this section is to collect basic demographic information about the respondent that might influence the impact of the program. The Impact Survey design assumes that the client sample and non-client comparison groups are essentially the same with the principal difference being their exposure to the program. These questions will enable comparisons of the sample groups to see if this assumption is true. They supplement the information on the Interviewee Data Form that staff members fill out using information from the program’s MIS.
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Q.1.a. The first question in the section is a check to ensure that the respondent represents the desired sample group. For example, if you are supposed to be interviewing a non-client and yet the respondent says that she used to be a member of the program, you will have to stop the interview. Please note that while this question refers to “members”; programs will need to adapt the terms—such as borrower and client—to their own language, etc.

Q.1.b. The answer is the number of months in the program and thus does not need to be pre-coded. Can be like Questions 3 and 5.

Some programs have inserted additional questions at the end of Question 1, such as:
“Before belonging to the program, did you receive credit from another program?”
“Are you currently receiving credit from anyone other than our program?”

Q.3 & Q.5. Respondents are asked to specify their age and their years in school rather than indicate which category applies to them in a pre-coded list. For example, clients’ average age is a more powerful and flexible variable for analysis than the percentage of respondents between 18 and 35 years. In some program areas, many people do not know their specific age. Preparing a chronology of events well-known to people in the area can help respondents give more accurate age estimates. For example, a respondent who does not know her age may know that she was born the year before independence.

Q.4. The concept of marriage/free union might require discussion and clarification by team members. Rates of female-headed households might be grossly over-estimated if only an officially recognized marriage is applied here. The objective is to know how many women currently live with a partner; it is less important to know whether that partner is a legally-recognized spouse, so non-official or free-union marriages should also be included. In some areas, it would be meaningful to include separate categories for polygamous and monogamous unions.

Q.6. The concept of reading a letter is meant to capture functional literacy. The letter could be written in any language, but it should require a reading ability beyond simply recognizing one’s own name.

Q.7. Records the number of adults and children in the household. (Write the response within the appropriate columns of the table below the question). The household is potentially a very complicated concept to define and identify. The definition of household applied here refers to those people who live together (common residence) and share the same food at least once in a
day (share common resources). The objective is to define those individuals whose economic security is closely interdependent rather than the larger network of extended family. Applying both a residential and communal food criteria is likely to identify this smaller and more closely intertwined group. However, the definition of the essential economic and social unit might differ by program area and even differ depending upon who within the household is the respondent.

To make sure this question is suited to your program, discuss with staff specific examples of living or eating arrangements and who should be defined as part of the household. For example, talk about how to treat a case where a nephew has been living with the family and sharing common meals for the last year (part of the household) versus a relative who stayed with the family for only the last two weeks (not part of the household).

Question #7 also includes an age cut-off delineating who is an adult and who is a child. The age cut-off was based on the information needed to apply the commonly used concept of dependency ratio (children under 18 years/economically active adults).

Find the common definition of “adult” and “child” in your country or area.

Q.8a. Refers to “economically active persons,” defined as those engaged in work that earns income or products. Economically active would include family enterprises, agricultural production and wage work, but not domestic labor. Discuss examples specific to the local setting.

Q.8b. Refers to “salaried workers,” which is defined as a job that earns a fixed salary or regular income. Generate and discuss examples specific to the local setting.

Q.9. Refers to “the head of the household,” which is defined as the person who is the principal decision-maker. The question requires that the interviewer listen to the response and then mark whether the answer indicates the head of household is the respondent herself, a male relative or female relative. It is not necessary to indicate the specific nature of the relationship between the respondent and head of household, only the gender of that person. Discuss specific case examples illustrating different household heads.

Q.10a. Although school age often is considered to be between five and seventeen years of age, a specific definition of “school age” must be adapted to the program site.
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If the survey happens to take place during a break between two school years, it might be necessary to alter question #10.a. to read, “How many children in your household were school-aged during this last school year?” and question #10.b. to read, “How many of these children attended school in the last school year?”

**Q 10b.** Is asking about children who regularly attend school. It may be full-time or part-time in your area. Some programs follow this with a question of “How many of these children who are currently in school receive economic assistance from your businesses?”

**Q.10d.** Record “highest grade attended” in terms of the number of years in school it represents.

**Q.11.** Read the responses as instructed. School expenses include uniforms, books, etc. For respondents who report that none of the school-aged children attended school either during the current or last school year, the correct response is that the amount spent “stayed the same.” Respondents with no children would answer “not applicable”.

**MODULE TWO:**

**Loan use and individual income (Questions 12-14)**

The objective of the questions in this module is to explore how current clients use their program loans and general trends in respondents’ own income.

**Q.12a-c.** These questions are for current clients only, since they pertain to how program loans have been used. The term “invest” sometimes is confusing when translated into another language. It refers to “using the money from the program’s loan.”

**Q.12c.** Read the “use” statements to complete the question, “Did you use any portion of your last loan to...?” For this series of questions, multiple affirmative responses are possible. Some interviewers think that when the client answers that he or she used part of the loan money to buy clothes, it represents a diversion of the loan. Assurance of confidentiality is important, as the program is interested in capturing what the loan is being used for, even if that use is against current program rules.
Q.13. Read to all respondents—current clients and non-clients or incoming clients. Explain that it is asking about total household income and that the respondent is being asked to reflect upon change “over the last twelve months.” For clarification or additional emphasis, you might also say, “Last year at this very same month until now.” Note that this question is demographic about the household and sets the context to interpret Q.14.a. It is not intended to measure program impact.

Q.14.a. This question asks about personal income, as opposed to household income.

Q.14.b-c. Because these questions include a response for “other” and multiple responses are possible, it is important to probe by asking neutral statements like, “Anything else?” until the respondent says, “That is all.”

MODULE THREE:

Enterprise level: Income, labor, profit, improvements and assets

(Questions 15-22)

The objective of this module is to focus on financial changes in and returns from respondents' income-generating activities; income and expense information rely on client recall over a relatively short recall period—the previous four weeks or last month. Questions 20-22 ask clients to recall business purchases or investments over the past 12 months.

Q.15.a. This question refers to wage-earning activities.

Q.15.b. Focus the respondent’s attention on enterprise activities. The question asks about “enterprise or income-generating activities” because the translation for “enterprise” in many languages might imply a more formal business than is characteristic of microenterprise activities. The combination of both terms helps respondents to consider informal activities, although subsequent follow-up questions do use the term “enterprise.” It should include seasonal or piece work. The specific definition of the types of income-generating activities a respondent should include depends on the program. For example, your team will have to decide whether to include various types of farm production as income-generating activities. You may also have to decide how to treat a client who invested her loan in the business of her
husband or other family member. Is such an investment to be counted as an income-generating activity for the client?

Q.16.a. Asks respondents to identify the enterprise that earns them the most money. It is assumed that clients will have diversified livelihood strategies and are likely to engage in more than one enterprise at the same time. However, for simplicity, the focus is on financial returns to the two most important (in terms of their economic contribution) enterprise activities. Questions #16 and #17 ask for the same information from each of these two enterprises.

Q.16.b & Q.17.b. Identify the pattern of ownership (e.g., household, partnership, single owner).

Q.16.c & Q.17.c. By asking respondents to consider their product (or business) cycle—the period of time within which they typically earn a profit—this question provides a flexible approach within which respondents can report financial flows according to the time periods most appropriate to their enterprise. While the ultimate goal is to estimate monthly costs, revenue and sales, the information on which to base these estimates may be reported most easily in terms of weekly, biweekly, monthly, or another time period. All responses must be converted into the same time period for consistency in data entry and analysis.

Note: If the concept of “product cycle” proves too difficult for your clients or interviewers to understand, this question can be dropped. The following questions—d, e, and f—would then simply refer to costs, revenue and profit “in the last month” or “in the last four weeks”. Respondents can then report amounts according to time periods that are appropriate to their enterprise.

Q.16.d & Q.17.d. This question requires that the concept of “costs” be defined and discussed. Through multiple pre-tests of this series of questions, respondents seemed more forthcoming, and often more knowledgeable, about their enterprise costs than their revenue or profit. This sequencing of questions can also help clarify the product or business cycle. The question focuses on direct enterprise costs excluding unpaid labor or expenses for basic needs.

Enterprise activities will have predictable types of expenses. For example, if a respondent is reporting on costs and returns to a restaurant, there are predictable types of expenses that you
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should probe for if the respondent does not initially mention them, such as firewood or other cooking fuel, produce, dry goods, hired labor, and depending on the context, electricity and taxes.

Respondents can report amounts in whatever period is most appropriate—weekly, bi-weekly or monthly. Often, production costs will correspond to different periods. However, reporting amounts per day should, if possible, be converted to either a weekly or monthly period to facilitate uniform monthly estimates. If amounts are reported in days, you must also record the number of days this occurred over the last four-week period so that monthly estimates can be made.

Q.16.e. & Q.17.e. Revenue refers to returns from sales and should include both amounts paid in cash and amounts owed for sales made on a credit basis. Estimates of revenue can be very straightforward for certain enterprise activities that are characterized by infrequent but major sales (such as to wholesalers), but much more difficult to estimate for activities conducted daily, especially when enterprise and domestic funds are mixed.

Q.16.f. & Q.17.f. Informal entrepreneurs will often net out the household’s daily expenses for basic needs before they give an estimate of enterprise profit. For example, in Mali, there were distinct French and Bambara terms for two “types” of profits. The French term “benefice” referred to sales revenue less direct business expenses such as raw materials, labor, transportation and fuel. However, “profit” referred to sales revenue less direct business expenses and indirect expenses like food for oneself and the family, as well as loan principal and interest. In this case, the term “benefice” was used since it captured the intended concept of enterprise returns or profit better than the French term “profit.” Clearly, your choice of words will very much affect the amounts reported.

Q.18. Researchers use this question to rate the respondents’ ability to estimate their costs, sales and profit. During mock practices of the interview, it is important to determine as a group what a respondent’s rating should be so that this subjective assessment can be made more uniform across different interviewers.

Q.19. Determine and record the number of children who helped with either enterprise activity. It is important to ask this question for both enterprises together, since often the same children will assist with both. These questions refer to children in general and not just the respondent’s own children.
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Q.20. Ask the respondent to report the three principal ways enterprise profit was used (in other words, the three largest investments or expenditures of profits). “Principal” refers to greatest amount of the profit. Record responses in the order in which they are ranked. If a respondent only has one or two principal ways, leave the remaining boxes empty. If the respondent doesn’t know (99), then 99 should be recorded in the box labeled 1st and if the respondent has no profit (98), then 98 should be recorded in this 1st box.

Q.21-22. You are asking about changes that have been made in the last twelve months. Again, you might need to clarify that this refers to last year at this month until now. You should repeat “in the last 12 months” as you read the choices. For each item on the list of changes, mark an “X” in the column that shows the respondent’s answer.

MODULE FOUR:

Individual level: Savings and enterprise skills (Questions 23-26)

This module focuses on the individual client; it seeks to learn about the client’s savings and enterprise skills and how these have changed since joining the program.

Q.23. Refers to personal cash savings. If your program requires savings, you will want to be careful how you word this question. You should distinguish between 1) program savings; 2) other savings being held elsewhere (in a bank, hidden in the house, etc.); or 3) about both these types of savings to capture all cash savings. Because the program usually has good records on required savings, this question should focus on additional savings unknown to the program. Depending on a respondent’s answer, there are specific instructions for which follow-up questions to ask. If clients are keeping their savings in something other than cash (jewelry, small animals, etc), you may want to change the wording of Questions 23 and 24.

Q.24. Is intended only for those respondents who report they had personal cash savings in question #23. It is a retrospective question that tries to capture changes in savings over the last twelve months. Some programs may want to insert the follow-up question: “Why?”

Q.25. This question may not be immediately clear to respondents, especially if they did not go through a conscious decision-making process when determining what enterprise activity to undertake. If the respondent does not fully understand the question, clearly restate it, slowly emphasizing the terms “factors” and “consider.” Avoid elaborate explanations of the question’s meaning and giving examples of types of factors, since this would likely bias the
client’s response. Silent probes such as a pause can be important to give respondents time to think.

Q.26. As with similar questions, complete the question with the listed statements and mark the appropriate column with an “X.” Only current clients should be asked the follow-up question #26.b. Each time a client responds “yes” to a statement in #26.a., go directly to #26.b. Note: Be sure to review and adapt this question to make sure it is appropriate for the program clients. For example, in some cultures it may not be appropriate for a woman to operate a business outside of her home, and therefore 26.f. would require adaptation. In Latin America, “different from the location where your family lives” has been interpreted as a different room from the bedroom, and in the same location.
MODULE FIVE

Family Level: Assets (Questions 27-29)

The objective of this module is to identify changes in family wealth as indicated by newly acquired assets and home improvements. You may have to remind the respondent of the definition of the household—that it is the same as those people they identified for question #7.

Q.27. Establishes an inventory of a specified list of assets that capture a progression of wealth. There are three ranges of value of assets. The pre-coded answers must be adapted to the local situation before trying out the question. It is important to clearly state that the question refers to whether the respondent herself or anyone in her household owns these items. Again, the flow of the questions works best to read across the questions (a-d), item by item. Only current clients are posed question #27.d. To complete this section correctly and completely typically requires practice as it is somewhat complicated.

Q.28. This is the first reference to a two-year reporting period, so it is important that you stress the phrase “during the last two years” and if necessary clarify that this refers to two years ago at this time until now. Depending on the response to #28, you are instructed to “jump” to appropriate follow-up questions.

Q.29. As with other questions organized with a table or box format, you must record responses in the appropriate column rather than in boxes along the right-hand side of the page. As you read through the list of repairs, improvements or additions, it may be necessary to refer again to the two-year reporting period. Only current clients are asked question #29.b., and only when a “Yes” answer is given by a current client in the first column, #29.a.

MODULE SIX

Family Welfare and Coping (Questions 30-33)

The objective of this module is to determine impact on family welfare with questions about diet, coping with hunger and cash to run the business.

Q.30. Refer to the “last twelve months” and read the pre-coded responses (with the exception of 99, “Don’t know”) aloud. Depending on the response, the specific follow-up question is noted.
Q.31a & Q.31b. As with other questions that allow for multiple responses after the initial answer, it is important to probe by asking neutral statements like, “Anything else” until the respondent says, “That is all.”

Q.32a. Captures whether the household experienced a period over the last twelve months of relatively acute food insecurity. Depending on the response, the specific follow-up question is noted.

Q.32b. Record responses in terms of “number of months”. However, depending on the setting or socioeconomic level of the program’s clientele, “number of weeks” might be more appropriate.

Q.32c. As with other questions that allow for multiple responses after the initial answer, it is important to probe by asking neutral statements like, “Anything else?” until the respondent says, “That is all.”

Q.33a. Refers to the “last 12 months” and, depending on the response, the specific follow-up question is noted.

Q.33b. Record responses in terms of “number of weeks.” Determine whether “number of months” or “number of days” might be more appropriate for your clientele.

Note: For non-clients or those just joining the program, question #33 is the last one in the interview.
**MODULE SEVEN**

**Difficulty of Paying and Client Satisfaction with program (Questions 34-37)**

These questions are intended for clients only. They attempt to get a sense of the current clients’ experience and opinions of the program as well as their suggestions for improvements. If you also plan to use the qualitative Client Satisfaction tool that relies on a focus group format, you might consider adjusting these questions to correspond more closely to the information sought during those focus groups.

**Q.34.** Identify the client’s difficulty in repaying the loan and the reasons for that difficulty.

**Q.35-36.** Ask the client to identify what he/she likes most and least about the program. Common responses have a response category, but there is an option to write in an answer that is not anticipated.

**Q.37.** Is an open-ended question that asks clients to identify changes in the program they would most like to see made.

**D.2 Selecting hypotheses and indicators, writing new questions and testing the instrument**

**The Standardized Survey**

The Impact Survey included in this set of tools constitutes a system for collecting information to describe, compare, or explain knowledge, attitudes, and behavior. The advantage of the survey is the structure that its standardized questions provide for classifying information. (Warwick and Lininger, 1975) Typically, a combination of closed (limited and set responses) and open-ended (responses not predetermined or limited) questions are used to strike a balance between rigid standardization and the richness of individual experience. This survey has been carefully designed and revised several times so that practitioners will not have to start from scratch. That said, each user will have to adapt the instrument—add or delete
indicators and rewrite survey questions accordingly—to meet specific institutional needs. This section provides guidance for this process of adaptation.

Select Your Hypotheses

Chapter 4, Part B contains the hypotheses and indicators used in the generic Impact Survey. You will want to adapt these hypotheses as needed to reflect what your program believes to be its impact. You may need to add additional hypotheses. This section of Part D includes some alternative hypotheses that some microfinance programs have found more appropriate for their objectives (See Figure 4D-2). REMEMBER:

- You must first be clear about your hypotheses before trying to create indicators.
- Be sure to maintain a coherent and direct relationship between the hypothesis, indicators, and the questions that obtain the information about the indicators.

How to use 4B and 4D to adapt the survey

1. Read through all the hypotheses in 4B and mark those relevant to your microfinance program.

2. For these selected hypotheses, find the corresponding indicators and numbered questions and mark them on the generic survey.

3. Identify those indicators related to your selected hypotheses that will not capture the information about your program. You can eliminate the questions related to these indicators.

4. Look at the demographic and program participation indicators found in the last part of Part B. Be sure to mark the ones that you want to keep and its corresponding question number. Make a note of any information that is missing and add new questions to your version of the survey as necessary.

5. The Survey is provided in a Word file on the CD-Rom. You can delete the questions that you decided were not useful in Step 3 and get ready to add new questions from #4 and #6.
6. Now think about your program and its intended impact on clients. What hypotheses and indicators may be missing that you want to address in your survey? Read this section of Part D for guidance on formulating hypotheses, indicators and questions. Figure 4D-2 shows both the hypotheses informing the generic survey and alternative hypotheses you might find more appropriate.

If you choose to insert new questions, be sure to do so in such a manner that the final version of your survey has a smooth, logical flow of questions from the point of view of the interviewee.

**Selecting Good Indicators**

Indicators are criteria or measures against which program changes can be assessed. Indicators are defined as specific (explicit) and “objectively verifiable measures of changes or results brought about by an activity” (United Nations, 1984). Several types of indicators exist.

- **Demographic indicators** tell us about the client and non-client and allow us to compare between or among the sample groups.
- **Input indicators** typically relate to program services such as the number of loans the client has received.
- **Impact indicators** establish criteria to measure program impact or client response. The majority of indicators included in this survey are impact indicators and each hypothesis has multiple indicators.
- **Output or process indicators** can help clarify the link between program services and the desired impact. For example, the Impact Survey includes information gleaned from program records about the amount of a client’s current loan, her savings, and how long she has been in the program. Comparing relative impacts within the client group based on these program-oriented indicators can help demonstrate whether larger loans or more time in the program is associated with a greater degree of positive impact.
## Figure 4D-2
### Choosing Your Hypotheses

<table>
<thead>
<tr>
<th>Hypotheses tested by AIMS-SEEP Impact Survey</th>
<th>Other Possible Hypotheses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At the Enterprise Level</strong></td>
<td></td>
</tr>
<tr>
<td>Participation in the program:</td>
<td></td>
</tr>
<tr>
<td>• increases enterprise income.</td>
<td>• increases the transactional relationships of the enterprise(s).</td>
</tr>
<tr>
<td>• leads to changes in business practices</td>
<td>• leads to a higher level of entry into the business tax system.</td>
</tr>
<tr>
<td>associated with profitability.</td>
<td>• increases the entrepreneur’s abilities of negotiation.</td>
</tr>
<tr>
<td>• assists clients to survive periods of</td>
<td>• generates conditions for the diversification of economic activities.</td>
</tr>
<tr>
<td>reduced cash flow.</td>
<td></td>
</tr>
<tr>
<td>• increases enterprise assets.</td>
<td></td>
</tr>
<tr>
<td>• leads clients to diversify economic</td>
<td></td>
</tr>
<tr>
<td>activity.</td>
<td></td>
</tr>
<tr>
<td><strong>At the Individual Level</strong></td>
<td></td>
</tr>
<tr>
<td>Participation in the program:</td>
<td></td>
</tr>
<tr>
<td>• leads to increased personal savings.</td>
<td>• increases self-esteem</td>
</tr>
<tr>
<td></td>
<td>• leads to increased confidence and more proactive behavior.</td>
</tr>
<tr>
<td></td>
<td>• leads to increased control of resources on the part of women clients.</td>
</tr>
<tr>
<td></td>
<td>• leads to increased decision-making in the business.</td>
</tr>
<tr>
<td><strong>Note:</strong> These hypotheses are tested by the AIMS-SEEP qualitative tools.</td>
<td></td>
</tr>
<tr>
<td><strong>At the Household Level</strong></td>
<td></td>
</tr>
<tr>
<td>Participation in the program:</td>
<td></td>
</tr>
<tr>
<td>• leads to increases in household income.</td>
<td>• leads to greater diversification in the sources of household income.</td>
</tr>
<tr>
<td>• leads to increases in household assets.</td>
<td>• leads to an increase in expenditures on food, especially among the very poor.</td>
</tr>
<tr>
<td>• leads to increases in household welfare</td>
<td>• leads to an increase in the household’s effectiveness in coping with shocks.</td>
</tr>
<tr>
<td>(in such aspects as education, housing,</td>
<td>• leads to a higher level of intergenerational launching of businesses.</td>
</tr>
<tr>
<td>food security, ability to cope with</td>
<td>• increases the entrepreneur’s ability to respond to situations of health emergencies. (See Chapter 4C “Optional Questions” for the health indicators and questions that were tested.)</td>
</tr>
<tr>
<td>emergencies).</td>
<td></td>
</tr>
<tr>
<td><strong>At the Community Level</strong></td>
<td></td>
</tr>
<tr>
<td>Participation in the program:</td>
<td></td>
</tr>
<tr>
<td>• leads to reducing problematic child</td>
<td>• increases the client’s likelihood to assume leadership roles in the community.</td>
</tr>
<tr>
<td>labor in clients’ enterprises</td>
<td>• increases the amount of economic interaction.</td>
</tr>
<tr>
<td>• leads to increased paid employment.</td>
<td>• increases the amount of funds contributed to community activities.</td>
</tr>
</tbody>
</table>

Indicators might be direct or indirect. Indirect impact indicators often are called “proxy” indicators—selected because the direct indicator is too difficult to measure (costly, time-
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consuming, and so forth). For example, a proxy indicator for “increased household income” found in the Impact Survey is “percentage of clients reporting increased income over the last 12 months.” This proxy indicator was used because quantifying total household income would require more time, resources, and accuracy than seemed feasible for most practitioners.

The selection of indicators is based on experience, industry standards, available information, and to a degree, common sense. Ideally, indicators will have the following characteristics (Barton, 1997; United Nations, 1984). They should be:

- **valid**—measure what they are intended to measure and capture effects due to the program intervention rather than external factors;
- **reliable**—verifiable and objective so that if measured at different times or places or with different people, the conclusions would be the same;
- **relevant**—directly linked to the objectives of the program intervention;
- **technically feasible**—capable of being assessed and measured;
- **usable**—the indicator should be understandable and ideally provide useful information to assess program performance and for decision-making;
- **sensitive**—capable of demonstrating changes and capturing change in the outcome of interest (national per capita income is unlikely to be sensitive to the effects of a single intervention);
- **timely**—possible to collect relatively quickly;
- **cost-effective**—the information provided by the indicator is worth the cost to collect, process, and analyze; and
- **ethical**—collection and use of the indicator is acceptable to those providing the information.

Few indicators incorporate all these desired characteristics. Still, it is useful to consider the ideal features when choosing either individual indicators or a set of indicators to assess.

For a shortcut to good indicators, use the SMART guide to verify that your selected indicator is:

- **Specific**
- **Measurable**
- **Accurate**
- **Relevant**
- **Time-Specific**
As with the number of hypotheses, the larger the total number of indicators that you choose to measure, the more costly and elaborate the required evaluation tools and effort.

**Writing a Good Questionnaire**

If you decide on some new indicators, you will need to write questions that “operationalize” them on the survey instrument. Often, multiple questions are needed in order to get the information for an indicator. The questions below, as well as the list in Figure 3-3, “Qualities of Clear Survey Questions,” are guidelines to follow when adapting or adding questions to the survey. Assess each change you make against these criteria to ensure that it will provide the most complete and accurate information possible.

- **Are the words simple, direct, and familiar to all respondents?**
  Do not use technical jargon or region-specific terms. Use terms that people of all education levels will understand. For example, someone may not be able to say what their “marital status” is, but they know if they are married, single, divorced, separated, or widowed.

- **Is the question as clear and specific as possible?**
  Avoid questions that are too general, too complex, or ambiguous. For example, the question, “What type of community is this?” does not focus respondents on any specific aspect of the community. Also do not use questions with indefinite words such as “often” or “usually.”

- **Does the question include more than one item or issue?**
  It can be tempting to save time and space by combining two questions or two issues, but this short-cut will hinder analysis and interpretation of results since the response will not be clear. For example, the question, “Do you plan to stop doing this enterprise and start another enterprise in the coming year?” should be broken into two separate questions.

- **Is the question leading or loaded?**
  A leading question encourages the respondent to give a certain type of answer. A loaded question uses emotionally charged words or stereotypes. For example, a leading question would be, “Don’t you agree?” and a loaded question would be, “What usurious interest rate do you think the program should charge?”

- **Is the question applicable to all respondents?**
  Asking a respondent who is single the age of her husband is annoying and potentially
misleading since she may feel obliged to give some answer. Instructions to skip or “filter” questions need to be included if a question is not applicable to all respondents.

- Can the question be shortened without losing meaning?
  As a final test, read the questions and delete any extra, unnecessary words to make them as short as possible. (Warwick and Lininger, 1975)

Translating the study objectives into specific questions is typically a process of trial and error that involves a lot of discussion and pre-testing of questions (Warwick and Lininger, 1975). Much of this effort focuses on crafting questions, selecting the total number of questions, determining the sequence of questions, and finally, putting it all together in an overall survey instrument that will maintain the interest and motivation of the respondent.

**Testing the Instrument**
Field testing the survey instrument with a small number of clients is both good training and necessary preparation for the actual data collection.

Some reasons to conduct a pre-test are:
- To identify language or wording problems in the questionnaire that might cause confusion and to make revisions before conducting the “real” interviews;
- To find out how long the interview takes in order to schedule a large number of them; and
- To gain confidence to conduct the interview.

After testing the instrument, ask the following questions to evaluate the instrument’s “performance.”

---

Figure 4D-3

**Qualities of Clear Survey Questions**

Questions that are clear and make sense to the respondent:
- Use correct grammar and syntax and conventional language.
- Call for one thought at a time with mutually exclusive questions.
- Are concrete.
- Specify clear time periods for which the respondent should report.
- Do not use biased wording.
- Avoid negative phrasing

(Fink, 1995)
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- Were the questions clear, easily understood, and specific? Did respondents frequently ask for clarification of any questions? Were any questions redundant?
- Were the response choices appropriate and comprehensive? Did respondents offer a number of “other” responses to any list of choices?
- How much effort was required to answer? Was the respondent able and willing to answer all the questions? Did the respondent lose interest in a question or a set of questions?
- Did the researchers have trouble with any of the questions?
- Did the nature or format of any of the questions bias the clients’ responses?
- Were the questions in the right order? Were the transitions between questions smooth?
- How much time did the interview take? How much time did each section take?
- Was there variance in the answers to the questions? Were there rare events?

Use the answers to these questions to help you revise the instrument again.

D.3 CASHPO R’s Experience Revising the Survey

The CASHPO R/ASHI Example

In the Phillipines in 2000, ASHI (Ahon Sa Hirap), a 10-year old microfinance program serving approximately 8,000 clients, undertook an impact assessment using the AIM S-SEEP tools which was the “debut” of these five tools in Asia. In preparation for the ASHI impact assessment, a team of practitioners, including representatives from CASHPO R Network in Asia and PHILNET in the Philippines, worked to customize the tools to Grameen Bank replicators, ASHI’s program, and the Philippines context. The Impact Survey presented in this chapter underwent the most significant changes. Because this adaptation offers the best currently available example of both the rationale for and process of revising survey design, it is described here in detail, excerpted from the CASHPO R publication, Poverty Reduced Through Microfinance: The Impact of ASHI in the Philippines (Todd, 2000).

The Rationale: Why did CASHPO R and ASHI choose to adapt the survey?

Representing largely Grameen Bank replicators, the PHILNET and CASHPO R team knew that a major change in the Impact Survey would be needed to test one underlying hypothesis,
“Access to microfinance services over several years reduces household poverty.” Guided by this basic mission, Grameen Bank replicators need to know if poverty is declining, at what rate for different groups, and by what processes. They identified two ways in which the generic AIM S-SEEP survey needed to be adapted to make it more relevant to their programs:

- The main emphasis of the survey needed to shift from impact on the client’s enterprise, to impact on her household’s poverty status.

- Poor clients of MFIs in the Philippines normally spread their loan capital over a number of livelihood activities—multiple economic activities including farming, fishing, casual labor and animal husbandry. To gauge their level of poverty, the survey would need to capture all sources of income, including agricultural income that is not recognized in the generic version of the Impact Survey.

The Changes: How did CASHPOR actually adapt the survey?

CASHPOR’s emphasis on household poverty alleviation led the team to test the following additional hypotheses:

1. Households will use access to credit to move out of agricultural or casual labor into self-employment, including farming.

2. Major demographic events, like the death of an income earner or a natural disaster, can lead to an increase in household poverty.

3. Participation in microfinance services leads to increases in household productive assets.

The principal changes to the survey can be summarized as follows:

1. Survey questions determining enterprise income and profits have been replaced with those focusing on the household and all its sources of income.

2. Actual amounts of income (captured by Questions 16 and 17 of the generic survey) have been replaced by proxies for household income.

The team agreed that total household income is difficult and expensive to determine; the seasonal and irregular nature of poor families’ incomes opens the door to many inaccuracies.
Clients’ ability to recall, coupled with their hesitancy to share detailed, personal financial information also undermine the validity of this kind of data. Therefore, ASHI replaced the questions seeking to construct actual income and profits with the following three indicators or proxies of normal household income, which it believes can be collected more easily and with a higher degree of accuracy than income figures based on client recall.

1. current sources of income for the whole household;
2. current ownership of assets;
3. the score on the ASHI House Index, which measures the size, materials and structure of the house.

These three indicators were given equal weight in the construction of a Poverty Status Index used to determine current poverty status. A score on this Index determines the grouping of households into poverty categories—very poor, moderately poor and not poor. Both the indicators and the poverty rankings are discussed below.

**Indicators**

**Sources of income:** The survey collects information on the occupations of all the earning members of the household and the work history of each member since joining ASHI (or in the case of the comparison group, over the past four years). Occupations can be classified into seven categories ranging from the most irregular and lowly paid (like washing clothes for others) to more highly paid and regular forms of work (like plying one’s own tricycle, running a grocery store or doing permanent salaried work). Fishing and farming, which are both very important activities in the Laguna area of the Philippines, are classified as traditional activities, like gathering forest produce or fishing with a rowboat and net, where returns are low. Other pursuits, like growing rice paddies on owned or leased land, or operating modern fish pens or cages, are classified as modern or landed activities with much higher returns to labor. Data collected on the client’s and spouse’s occupations at program entry allowed for a longitudinal comparison in an otherwise cross-sectional survey.

**Household assets:** Similarly, the survey ranks productive assets in three value categories and determines whether they have been acquired since joining the program.

- very poor (e.g., household goods valued at less than P10,000 (approximately US$200), small animals such as chickens, simple tools)
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- relatively poor (e.g., small boat and motor, 3 or more pigs, sewing machine, carpentry tools and machinery)
- non-poor (e.g., car or truck, tractor, grain mill, passenger boat, large animals, etc.)

Clients' responses can be compared with assets reported at the time of program entry. Non-clients are asked whether they have acquired the items during the past four years.

Quality of housing: Like many Grameen Bank replicators, the ASHI team uses its own house index (originally developed by CASH POR) that scores the size, structure and roof of the house to qualify clients for its program. Those with scores over a certain level on the house index are ineligible to join. The staff is already trained to use the house index through observation; no questions are required. For the Impact Survey, the housing index was re-applied, and these new scores were compared to each client's score at time of entry in the program. This is a longitudinal comparison of housing status in an otherwise cross-sectional survey.

These measures are grouped with equal weights into a simple Poverty Status Index, with three categories: Very Poor, Moderately Poor and Non Poor. Movement from one category to another is regarded as a significant change in poverty status.

Poverty Categories

Very Poor – Irregular, low income, minimal productive assets and poor quality housing. (e.g., contract or casual labor, traditional fisheries, farming on forest land, small scale poultry/ducks, 1 pig. Mobile vending or services with very small working capital. Wife in casual labor, like laundry, or not earning. Husband jeepney/tricycle driver but not an owner). No income from children, if husband and wife are working.

Moderately Poor – More regular income, based on use and ownership of small productive assets. Additional income from wife's self-employment and children in casual labor. Housing quality is medium. (e.g., Self-employment from fixed location, or using machinery or larger working capital. Farming on leased land of less than 1 acre or own land of less than half an acre. Fish cage or boat with engine. Transport service with pedicab or used tricycle. 2 pigs, 1 horse, 1 cow).

Non Poor – Higher income based on ownership and use of larger productive assets. Housing quality is high. (e.g., modern fisheries – pen, fiberglass boat with engine; farming on own land more than half an acre or lease of more than 1 acre; rent out of land or building; regular
salaried work; member of the family a balikbayan; self-employment with separate fixed location, large working capital and own machinery or equipment. Transport service with new tricycle, second-hand or new passenger boat or jeepney. Additional income from children in factory or salaried work, or more skilled contract work as welder, plumber, or jeepney driver).

Finally, the CASHPOR tool also took into consideration the dependency ratio that is figured dividing the answer to Q.7. (# of household members) by the answer to Q.8.a. (# economically active) on the generic Survey.

**The Process: How did ASHI undertake this adaptation process?**

A team of six practitioners from microfinance institutions in the Philippines and two representatives from CASHPOR and PHILNET formed to customize the tools. They spent one week together in September 1999 to review the hypotheses in the Impact Survey, revise the indicators, customize all the tools to ASHI and the local context, translate them and field test them with ASHI clients. At this time, the team also decided on the sample design, and discussed the budget and logistical requirements.

Constructing a Poverty Status Index is a key part of the training prior to administering the survey. Staff must draw on their local knowledge and experience to devise a list of occupations and corresponding incomes. The list of assets must also be customized. And of course, the criteria each program uses to categorize their clients as poor, moderately poor and non poor will vary by context.
Stocktaking: What are the advantages and disadvantages of ASH I’s approach?

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Staff take ownership of the instrument.</td>
<td>• May be less appropriate for MFIs that do not target client groups as specifically as Grameen programs do. For programs with a more diverse clientele, enterprise growth is likely to be more important.</td>
</tr>
<tr>
<td>• Indicators are tailored to economic realities of poor clients.</td>
<td>• Designing and testing the appropriate indices (occupation, housing, assets) takes more time and team work.</td>
</tr>
<tr>
<td>• Identifies the type of movement in occupations, assets and housing that is expected when the program has positive impact.</td>
<td>• The importance of rating the answers consistently requires good quality control in the coding.</td>
</tr>
<tr>
<td>• These indicators measure movement along poverty spectrum and the results of seeing persons move from very poor to non-poor are more dramatic than can be displayed by the generic survey.</td>
<td>• These indicators easier to measure than changes in net income of businesses.</td>
</tr>
<tr>
<td>• These indicators easier to measure than changes in net income of businesses.</td>
<td>• They capture a more complete household economic picture.</td>
</tr>
<tr>
<td>• They capture a more complete household economic picture.</td>
<td></td>
</tr>
</tbody>
</table>

The CASHPOR/ASH I surveys for clients and non-clients can be found in Appendix 4.2 on the CD accompanying this manual.
(Note that they decided to create a separate form for non-clients to eliminate any confusion over the questions for clients only or for non-clients only that can occur with the generic survey).
Chapter 4

Tool 1: Impact Survey

Part E

Sampling Guidelines For the AIMS-SEEP Survey

E.1 Why Sample?
E.2 Sample Size
E.3 Taking a Simple Random Sample
E.4 Cluster Survey Sampling
E.5 Group-Lending Sample
E.6 Limited Survey Samples
E.7 Stratified survey Samples
E.8 Customizing Your Survey Sample
E.9 Longitudinal Samples
E.10 Comparison Groups
E.11 Survey Sampling on the Run—Keeping Bias Out
E.1 Why Sample?

The main reason for survey sampling is to ensure that those interviewed fairly represent the population of clients. A survey sample, then, should have the qualities of being as much like the population from which it was drawn as possible.

Many poor studies can be traced directly to poor survey sampling. Statements like “you left these people out” or “you favored these people” are common criticisms of evaluations. These criticisms are directly linked to who was included or excluded in the study, which then may be considered to be biased. The most common way to achieve adequate representation and fairness is to use random sampling. A random sample is one in which any member of a group (called a population in statistics) has an equal chance of being selected. Achieving randomness can be very easy or quite complex, depending on a variety of circumstances.

However, poor randomization is not the only cause of biased samples. More often, poor group definition, interviewer error, or inadequate records cause distortions in the sample. The following examples illustrate this point:

• If a researcher wanted to survey a sample of clients from a specific microenterprise lending institution, he might suggest taking a random sample from that institution’s client list. But if said client list is not up-to-date, it might lack new clients. Or if program officers have excluded certain problematic groups from the client list, it does not accurately represent the whole client population served by the program. Such a sample would thus be biased. To avoid these biases, the researcher should insist upon receiving a complete and current list.

• “Tarmac bias,” common in many studies, occurs when those interviewed are chosen based on how accessible they are. For example, an interviewer might decide to interview an individual who lives near the road instead of one selected in the sample who lives far from the road.
Other common sources of bias include age, gender, and income. It is important for the research designer to think carefully about sources of bias in taking a sample, and then think of clever ways to avoid them.

### E.2 Sample Size

How big a survey sample should be drawn? A statistician will tend to offer a *maximalist* answer—take as big a sample as possible. His or her central concern is to maintain quality control and ensure that the assumptions of specific techniques are met. A field researcher, on the other hand, often approaches this question from a *minimalist* point of view—and recommends taking as small a survey sample as possible while still providing credible results. In reality, the survey sample size is most often determined by the classic constraints of time and budget. The budget constraint reflects not just the cost of the field team and interviewer salaries, but also the related costs of transport, photocopying the survey forms, data entry, data verification and data cleaning. Time also is a factor—the time an organization can afford to take away from the business of making and monitoring loans and the time required to manage and facilitate the work of interviewers in the field. Rural survey samples are generally more expensive per survey than urban survey samples.

Practically, then, the survey sample size needs to be estimated early in the research planning and design process. Researchers frequently ask, “How big a survey sample do I need?” before they prepare the budget. This is a reasonable question. To answer that question, the basic trade-off needs to be made explicit. A larger survey sample is usually better but more expensive. The trade-off is between the evaluation’s credibility and its cost.

#### E.2.1 Multiples of 35

In parametric statistics, thirty is a “magic minimum number”-meaning that it is generally accepted as the minimum cell size for each strata or subgroup of a simple sample. In many sampling tasks, multiples of thirty will provide a rough estimate of the sample size needed. However, thirty is the magic minimum number per category needed as an end result—after such things as missing answers, invalid surveys, refusals, and ‘not-at-homes’ are taken into account. Thirty is the number needed in the final realized sample that is actually used for each survey question, not the one that is initially attempted. Therefore, you should interview 35 as the minimum number. When selecting the sample, prior to the actual interviews, add 10-20% to those selected to provide a list of “extras”. The larger the sample of clients with whom researchers can complete survey interviews, the greater the likelihood that the statistical analysis will yield “significant” results that closely resemble the entire client population.
Now consider the research design categories. In the cross-sectional research design recommended in this manual (please refer to Chapter 4, Part A), two categories of clients are proposed: (1) established clients (i.e., more than two years in the program); and (2) incoming clients (who serve as the comparison group and are a proxy for non-clients). Thus it will be necessary to interview a final realized sample of 35 for each group (total of 70) and to double that for a total of 140 for a single subcategory that applies to both client groups, such as male/female. To analyze two subcategories (for example, rural/urban as well as male/female among both groups), 280 is the desired minimum number (see Figures 4E-1 and 4E-2 for examples). It is rare to divide the sample into more than two subcategories in one specific analysis, since it is possible for the computer to separate out additional sub-groups to identify trends, relationships, and differences when analyzing the data. Remember, prior to taking the sample these tables of 35 per subgroup are adjusted upwards for expected invalid surveys, non-answers, and other errors.

### Figure 4E-1

**Minimal Sample Size for two groups of clients disaggregated by one sub-category**

<table>
<thead>
<tr>
<th></th>
<th>Established Clients</th>
<th>Incoming Clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td>Female</td>
<td>35</td>
<td>35</td>
</tr>
</tbody>
</table>

### Figure 4E-2

**Minimal Sample Size for two client groups disaggregated by two sub-categories**

<table>
<thead>
<tr>
<th></th>
<th>Established Clients</th>
<th>Incoming Clients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Rural</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td>Urban</td>
<td>35</td>
<td>35</td>
</tr>
</tbody>
</table>

The minimum survey sample size “explodes” as the research design calls for simultaneous analysis of more variables. Again, rarely is it desirable to analyze more than three categories (variables) simultaneously. Instead, you can analyze various combinations sequentially.

---

1 Mature programs may choose to sample three categories of clients - 4+ year clients, 2 year clients and incoming clients. In this case, the sample would consist of a minimum of three cells with a minimum of 35 clients in each cell. By adding one sub-category such as male/female (See Figure 4E-1), the sample doubles to 6 cells with 35 in each cell.
all variables are dichotomous and researchers will frequently wish to look at variables like assets or variables measured along some scale. Without going into detail, “35” can still be seen as a minimum number for analyzing most of these variables.

For most cross-sectional impact assessments using the two categories of clients suggested in this research design, sample sizes of either 170 (for the sampling design in Figure 4E-1) or 340 (for the sampling design in Figure 4E-2) would seem reasonable. These figures include an additional 20% over the sum of all the cells—including “extras” to replace those who are not available to be interviewed. Interestingly, these sample sizes will also likely produce requisite numbers for achieving statistical significance in many cases.

E.3 Taking a Simple Random Sample

The mechanics of taking a simple random sample (we will add complexity later) are relatively straightforward and not too hard to master if appropriate information is available. If dealing with group lending situations, it will be necessary to first select groups to be sampled, and in the simplest case, to have the following:

1. A complete list of all clients (or of clients from a selected group);
2. A random-number table;
3. An agreed-upon sample size (see above).

**Step 1:**

Number a copy of the complete client list starting with the first client listed as 1, and increasing by one integer for each case (2, 3, 4, 5, etc.). Keep track of the total (the last client number).

**Step 2:**

Select a random-number table available in many statistics and mathematical tables books. (An excerpt from a random-number table is reproduced for instructional purposes in figure 4E-3.)

**Step 3:**

Make a note of the total number of cases to be considered. Also make a note of how many digits are in that number. (For example, for a client population of 722, one would note down 722 and that it consists of three digits).

---

2 See Appendix 4.4 on the CD for an easy tool for creating a random number table using MS Excel.
Step 4:
Decide on the sample size.

Step 5:
Use the random-number table to select a sample. It does not matter in this table where you start or whether you go across the rows or up or down the columns. Using this table incorrectly is almost impossible unless you specifically choose to.

Step 6:
Keep a tally or occasionally count the sample and stop when you reach the sample size. Take an additional sample to use as alternates.

Figure 4E-3
Excerpted Random-Number Table

```
32 50 92 46 24 69 48 93 77 87 47 17 29 36 55 95 76 09 00 24 38 09 93 01 49
81 34 70 46 99 27 95 04 69 59 71 30 74 42 36 54 15 04 34 41 43 06 09 24 42
45 11 49 20 50 86 16 75 80 55 33 98 93 66 76 58 61 05 09 82 23 23 21 65 14
13 56 08 38 43 12 11 01 21 41 13 87 08 47 98 97 30 78 89 23 55 39 22 46 99
64 61 65 94 30 17 51 54 45 85 41 22 96 26 64 44 66 18 71 83 08 21 74 18 91
```

Returning to the example noted in step 3 above, any number between 001 and 772 is eligible for inclusion in the sample (based on a total client population of 722). Starting at the upper left corner of Figure 4E-3, you will use a column that is three digits across. The first number is 325. That means that the first case sampled will be that numbered 325 on the client list. The next number in the selected columns is 813, but that lies outside out range limit of 001 to 772, so it will not be included. The next number is 451 and case 451 will be the second client in the sample. The next two clients will be 135 and 646. You are now at the bottom of the column. So you move up to the next full column and continue (starting with a split column often leads to confusion). The next number is 924, which is outside the range and thus not included. The next number is 704 and is included as the fifth case. As you go through this procedure, highlight or tick off those included on the copy of the client list. If you run into a duplicate entry, ignore it and go on to the next number.

Practice Exercise: Try to take a sample of thirty-five. Based on this hypothetical exercise and figure 4E-3, you should have selected the following cases:
E.4 Cluster Survey Sampling

Cluster survey sampling is a tried-and-true method for dealing with geographically dispersed populations when time is limited. In cluster survey sampling, you simply group the clients into clusters and then sample random individuals from only some randomly chosen clusters. Grouping or “clustering” clients by time spent in the program (for example, two years and four years) is a good example of cluster sampling, and is very easy to incorporate provided good records are available. Geographical cluster sampling is more complicated. Any cluster survey sampling is both time and cost efficient, but does increase the chances that bias will occur, since typically only several clusters are sampled. One unusual cluster can inadvertently skew or bias a sample. The trick to cluster survey sampling is to identify geographical groupings. This is easy when sampling from a government census, but more difficult if sampling from a financial institution’s client list.

So there is bad news and good news. The bad news is that financial institutions often do not keep their information in geographical clusters. However, geography is important to financial institutions as they must know how to find their clients. Furthermore, most groups in group lending situations represent natural geographical clusters. The critical links to a good sample using geographic cluster sampling tend to be the loan officers who know the whereabouts of their clients.

E.4.1 How To Conduct a Clustered Survey Sample

The first step for conducting a clustered survey sample is to define clusters. The following three examples from evaluations carried out in Uganda illustrate the process:

One group simply had a large map on the wall, with pins stuck in it marking each group it loaned to—clustering made easy.
In rural areas, when no such information was available, the research team went to government offices to secure two sets of topographic maps of the region. Loan officers were called in and they painstakingly located their groups on the map.

In a third case, loan officers simply sat around a table and sketched out a map on a blank sheet of paper (“blank-sheet mapping”). This proved to be a time- and cost-effective method.

### E.4.2 How Many Clusters To Choose and How To Survey Sample

This is a strategic calculation based on the number of interviewers, available transport to the clusters, the target number of surveys within a cluster, and number of surveys per day expected per interviewer. An example will illustrate these considerations. On a recent impact study in Uganda, two sites were surveyed with the goal of surveying 100 clients and 50 non-clients in each site. After loan officers clustered clients using blank-sheet mapping, the team randomly selected a geographically limited set of clusters. Most clusters were used. Basing their sample on the size of the clusters, the team proportionately sampled using a factor of five. Estimating that interviewers could interview an average of five clients and two to three non-clients per day, a number of interviewer days was assigned to each cluster. Interviewers were then assigned to specific clusters on specific days. (See section on Stratified Survey Samples below).

For example, for a total client population of 600, interviewers would select a survey sample of several clusters comprising 200 clients and sample 100 clients from them. Thus, if a cluster were composed of 10 clients total (a minimum size set), they would sample 5 clients with 2 alternates. If the cluster had a total of 20 clients, they would sample 10 clients and 4 alternates using two interviewers, and so on. Within each cluster, they would number the clients and use a random-number table to select the interviewees.

### E.5 Group-Lending Sampling

Although they seem complicated, most sampling methods follow the logic and procedures described under “Taking a Simple Random Sample.” The most common situation in microenterprise lending that complicates samples is group lending. Yet, in fact, this is very simple to handle. First sample the groups, then sample the individuals. In both cases, use the simple random sampling as described above. If the situation warrants it, use some of the more complicated sampling described below.
The following steps outline how group-lending sampling is a simple extension of individual sampling strategies.

### E.5.1 Group Sampling: Step-by-Step

Step 1:
“Map” the location of groups using the best maps available (check the Land Office or Geological Survey or Maps Office in the capital city). Loan officers do know where the groups are located.

Step 2:
Consider the combination of total desired sampling size, number of groups, locations of groups.

Step 3:
Calculate how long the survey takes to administer. Determine the number of groups to survey, keeping in mind the balance you need to find between credibility and cost. Calculate the travel time to the groups. Calculate the costs involved including overnight stays if necessary. (See also Chapter 9, Planning and Scheduling an Impact Assessment).

Step 4:
Randomly sample among the groups.

Step 5:
Identify the groups chosen and re-check cost estimates based on the actual sample. Adjust, if necessary, by eliminating the last sampled clusters, not the farthest or costliest.

Step 6:
Use individual sampling on the lists of the groups identified by the clusters.

### E.6 Limited Survey Samples

You may want to limit clients selected for survey sampling from a client list in order to meet specific needs. For instance, if your financial institution lends to a wide range of clients, you
may wish to limit the sample to those whose initial loans were below a specified amount, or who were part of a specific program, or who had received a certain type of loan or other product. Or you may want to include clients who have been in the program at least two years based on the assumption that impacts are not likely felt among newer borrowers.

A decision of this type requires finding a balance between targeting and bias. In limiting by amount one can more easily argue that one is simply targeting a group for analysis. Bias could occur by sampling only repeat or long term clients because you might exclude clients who entered the program at the same time but have since dropped out. It may be argued that those who dropped out were more likely to be less successful than those who stayed, and thus the sample is biased towards successful clients. Yet the original argument about targeting clients who have had the time needed to feel impacts is also true. In this case, there is a trade-off between targeting and bias.

Other common limitations are geography and availability. In mid-range studies you can seldom go far afield and cover a complete geographic area, nor can you return again and again to a client who is not available. What is important is for the researcher to be transparent and honest about the research design and constraints encountered.

Taking a limited random survey sample is simple. Start with the complete client list and strike out all clients who do not meet the limitation criteria. Then proceed with Step 1 above in Section 4E.3 “Taking a Simple Random Sample”.

E.7 Stratified Survey Samples

Stratified survey sampling enables you to focus on specific groups (for example, women or rural people), ensuring that they will be represented in the sample. Although random survey sampling, done correctly, will give the researcher roughly proportional samples of all groups, disproportional stratified sampling will guarantee that a certain group is adequately represented.

For example, microenterprise programs often choose to focus on their specific impact on women clients. But what if the financial institution being analyzed has a client base that is only 20 percent women? A simple random sample will result in roughly an 80-20 male/female split in the survey sample. But if you truly want to focus on women you might want a 50-50 split in the survey sample. How can this be achieved? What will it cost in terms of representativeness in the overall survey sample?
The answer is simple, if a bit more costly. It can be achieved by first survey sampling proportionally. If the target sample size is 150 clients, that means that 120 men (80 percent) and 30 women (20 percent). This would constitute the initial survey sample—call it “the representative survey sample.” An additional survey sample of 90 women would yield 120 men and 120 women that could then be used for making target group comparisons.

How do you conduct a stratified survey sample? Again, this involves a slight complication of the simple random sample. Instead of sampling from one big client list, you split the client list into “strata” (in our example, one male list, one female list—in the field this can be simply done by numbering in two different columns on the master client list) and take the survey sample from each “strata” using the steps detailed above.

E.8 Customizing Your Survey Sample

When designing your survey sampling “frame” you should think through your research design and your analysis plan. Considering both will help you to decide whether you wish to limit, stratify and/or cluster your sample. Remember that random survey sampling will give you roughly proportional representation, so you only need to stratify if you want to inspect some variable in great detail and you only need to cluster if your resources / geography trade-offs do not allow you to survey sample from the entire client base. Stratifying and clustering can reduce your costs, and if done without bias, can greatly facilitate survey sampling.

E.9 Longitudinal Samples

In the language of sampling, “longitudinal” refers to time rather than space. As discussed in Part A of this chapter on the survey design, longitudinal studies that compare clients at two different points in time are a better way to measure change and attribute it to the program. Constructing longitudinal samples, however, can be quite complicated because of the many changes that occur among clients over time.

If you do choose to carry out a longitudinal study with a comparison group, you will not be able to use incoming clients as proposed for the cross-sectional design because they will be established program clients by the time of the second survey. For a longitudinal study, the comparison group for the first survey should be a reasonably matched non-client group. The second survey requires sampling from four distinct groups (clients, dropouts, new clients, and non-clients), which involves a level of complexity that is beyond the requirements of these tools.
E.10 Comparison Groups

Choosing the appropriate comparison group is not a sampling question, but rather a research design question and is discussed in Chapter 4, Part A. In most cases, a comparison group does not approach the statistical rigor of a control group (in which something deliberately does not happen). The comparison group should be about half the size of the client group.

This research design proposes using incoming clients as the comparison group as an alternative to randomly selected non-clients, which is difficult to pursue because:

1. there is no list to sample from;
2. it is difficult to match the non-client group and the client sample along key characteristics; and
3. non-clients often turn out to be clients who were not sampled.

To avoid these complications, this manual suggests using new/potential clients as a comparison survey sample. Sampling incoming/new clients as a comparison group is done in the same manner as sampling established clients. All that is needed is a complete list of eligible people.

Another alternative is to use a randomly selected “matched” sample of non-clients. This is especially appropriate in longitudinal studies. In many urban areas, similar businesses cluster in the same area. A business in the periodic market is likely to roughly match another nearby business in the same market in terms of size and other characteristics. A shop along a commercial street is likely to roughly “match” a nearby shop in terms of size and scope of business, even though one sells stationery and the other clothes.

E.11 Survey Sampling on the Run—Keeping Bias Out

In the field, the best-planned survey sampling designs are often confounded by reality. You can adjust most designs in the field and still keep bias out. The following anecdote from a research supervisor in Uganda illustrates the point:

“Recently, I had an interviewer come to me who needed a few more clients to survey sample. I asked how many were on the list and he said ”52”. I replied, “Sample 46, 9 and 25”. These numbers were not chosen from a random-number table, but they were selected without bias. I had no idea who those clients were or anything about them since I had not seen the list. Therefore picking numbers from my head had little chance of bias and sure beat running back to my room to get a random-number table.”
Bias can enter when you say, “take the nearest one” or “take anyone you want” (interviewers will almost always select their own gender). Using “opportunity samples” also tends to be bias-prone. An “opportunity sample” is non-random and means you sample people based on their availability; for example, the first ten people you meet. Avoid opportunity survey samples if possible.

Survey sampling in the field requires flexibility. Adjustments often must be made when:

- non-clients turn out to be clients;
- clients selected for the sample cannot be found;
- the sample sizes need to be adjusted;
- time is running out, or
- surveys turn out to be unusable.

If you always make a list of alternatives that are 10-20 percent of the total sample size, you should be able to weather most sampling storms. (Since ex-clients are often harder to find, select an extra 100% for the Exit Survey.) When this does not help, just think if you are biasing anything by making an adjustment ‘on the spot’. You can be random if you need to be.
Part E

Annex One

Sampling Non-client Comparison Groups in Urban and Rural Environments

How to Survey Sample a Non-client Comparison Group in an Urban Environment

Alternative 1: The Random Linear Method

1. Select specific central locations from where clients have been survey sampled (for example, a street, an open air market).
2. Select an appropriate sample size for that location. If the survey sampling ratio is two clients to one non-client, and 20 clients were sampled, you will need to sample 10 non-clients.
3. Estimate how many businesses are in a randomly selected line (here is where flipping a coin or spinning a pen on the ground comes in handy); for example, along a street or across the market.
4. Take a random sample of numbers based on that estimate. If there are 22 businesses estimated, the numeric details of a random sample of 10, using a random-number table, might be: 19, 02, 07, 22, 17, 20, 05, 12, 01, 16.
5. Rearrange these in order and instruct the interviewer to survey sample the 1st, 2nd, 5th, 7th, 12th, 16th, 17th, 19th, 20th, and 22nd businesses along that line (or street). Instruct the interviewer that the business must be “roughly” the same size in terms of space as the client business surveyed (though not necessarily the same business). If the business is closed, is of a significantly different size, or the person refuses to be surveyed, go to the next on the sample. There may also be reasons to “screen” at this stage for other loan program participation, gender, etc. to meet sampling goals.
6. If this is the last person, go back to the start, avoiding people already sampled (the same holds if the estimate is short).
Alternative 2: Random Walk Client-Match Method

1. Select non-clients based on a randomized geographical relationship to survey sampled clients.
2. Determine the desired ratio of clients to non-clients, for example 2:1.
3. Instruct the interviewer to take a non-client sample after some client survey samples, based on the client/non-client ratio. If the ratio is 1:1, every client should be matched with a non-client. If the ratio is 2:1 client/non-client then a non-client should be sampled after every second client is sampled.
4. A random walk method can be applied in these cases. A random direction is picked based on the flip of a coin or the spin of a pen. Say the direction turns out to be left and the sampling ratio is 2 clients to 1 non-client. Select a random number from 3 to 9 (this avoids nearest-neighbors which can be a bias). Say the number is 4. Instruct the interviewer that after every second client interviewed, they should turn to the left upon leaving the premises, go four businesses down and interview that client. If the business is closed or they are refused they should go to the next business. If they run out of businesses they should loop back to the start of the line or street and continue.

Unless a screening question is asked in the beginning (which may bias the survey), it is likely the randomly selected non-clients may turn out to be clients in roughly direct proportion to the amount of penetration of the financial institution on the potential client base. This requires the sample sizes to be fine-tuned in the later stages of taking the sample to adjust for this phenomenon (interviewers will have to survey a greater ratio of non-clients as the survey progresses, unless this is predicted ahead of time).

How to Survey Sample a Non-Client Comparison Group in a Rural Environment

Rural environments make survey sampling easier since ‘business’ is less differentiated and more comparable, but they also make survey sampling harder because households are more widely spaced. Generally, any rural household that is not a near neighbor (and thus more likely to be family-related) to a client is eligible for sampling.

A major problem in survey sampling in rural environments is ‘tarmac bias’. Survey sampling along a road excludes households tucked away in the countryside farther from the road. To properly survey sample in a rural environment is thus costlier in terms of interviewer time and
transport. This should be considered when sample size decisions are made relative to budgets.

Two alternative survey sampling strategies follow. The first is less expensive, but more prone to bias. The second requires access to topographic maps, which may not always be available.

**Alternative 1: Random Walk**
**Sampling of Non-clients from Client Homes**

Select a random-number from 3 to 9 from the random number table.
Select a direction at random. This can be done from a random-number table with 1=north, 2=east, 3=south, and 4=west (this assumes directions are easily known by landmarks or the sun in the area of survey). More simply the interviewers can be told to spin their pens or pencils on their clipboards and head off down the path or road nearest the direction of the point of the pen or pencil.
From the last client interview instruct the interviewer to head off down the road or path nearest the direction chosen and survey the household that is the 3rd, 5th, or whatever random number was selected in step 1. This procedure works best if motorcycle or bicycle transportation is available.

**Alternative 2: Map-Based Clustered Stratified Systematic Unaligned Random Sample (sounds harder than it is)**

Procure topographic maps at the 1:50,000 or 1:25,000 scale. These are usually available from the local planning or lands office or from map agencies/surveys in the capital. Procure an extra set to give to the financial institution as an aid to their work.
Meet with loan officials and delimit with a colored highlighter areas where the lending institution has rural customers.
Create a set of ‘geographical clusters’ on the map based on the areas highlighted in step 2. These clusters are best identified visually. Mark the center of these clusters with consecutive numbers on the maps.
Based on time and geographical considerations, randomly select a given number of geographical clusters for survey sampling using a random-number table.
On the topographic maps, draw a 4-inch by 4-inch grid centered on the center of each cluster. The grid should have sixteen 1-inch by 1-inch squares.
Select four random numbers between 0 and 9 and mark them in the order selected across the top of each of the four squares in the top row. Select four more random numbers and mark them in the order selected along the side of the leftmost column. These numbers become x,y-coordinates within each grid square and define a point. The numbers across the top are x-coordinates and the numbers along the left side are y-coordinates. Each of the sixteen grid-cells should be conceived of having a 10x10 grid inside it. The x,y-coordinates define a point within that grid.

These points are then marked on the topographic map and interviewers are told to survey the household nearest the grid point. This technique requires access to and familiarity with topographic maps and grid-techniques—thus it is not for everyone. It also requires training interviewers to make sure they have basic map-reading skills—again a restriction on its use. Despite these restrictions, it has been used successfully in Uganda. It is eminently defendable against the toughest survey sampling critics.
Chapter 4

Tool 1: Impact Survey

Part F

Guidelines for Data Coding and Analysis

F.1 Coding Data
F.2 Entering Data
F.3 Analyzing Data
F.4 Guide to Appendices on CD
Guidelines for Data Coding and Analysis

F.1 Coding Data

The strength of the standardized survey is that responses can be categorized and quantified. The prevalence or amount of a particular phenomenon can be quantified and compared across various sample groups. When statistical tests are performed, it is possible to determine whether apparent differences between client and non-client groups are meaningful or statistically significant—whether the differences observed in the sample population will likely hold true for the entire population.

Categorizing responses so that they can be analyzed quantitatively requires that they first be translated into numeric codes. Every distinct response—or category of responses—must be assigned its own unique code number. Coding is a particularly important step for any survey—such as the Impact Survey—that is going to be entered into a data file and analyzed with a statistical software program.

Many of the likely responses have already been included in the survey instrument and assigned codes. (See Chapter 4, Tool #1, Impact Survey.) For most questions in the impact survey, boxes have been created along the right-hand margin in which interviewers can record the appropriate response codes. In some cases, responses should be recorded within a table. Respondents are likely to give new answers that were not included in the original survey instrument for some questions. This is why an “Other (specify)” option is included for the open-ended questions (for example, see #14b and 14c). These “other” responses will need to be assigned a distinct and unique code number. The survey also includes a few open-ended questions (see #37) for which no pre-coded responses have been anticipated. A code book will need to be developed that builds upon the codes included in the survey by documenting all “other” responses that are assigned new codes.

Who Should Code?

Checking and finalizing data coding is usually the responsibility of the survey supervisor(s). It is best that only a few individuals are responsible for assigning new codes so that a consistent logic and sequence of numbers is applied. Supervisors should know well the purpose of each survey question and how “new” responses should be categorized and/or
grouped. If data coding responsibilities are assigned to the data entry operators, each survey should be completely coded before data entry begins. Errors in data entry are best reduced when operators can focus solely on systematically entering clearly marked and legible numbers into the appropriate data field. When data entry operators attempt to code and load data for a single survey at the same time, the accuracy and speed of both the coding and data entry activities are likely to be compromised. Data entry is discussed in greater detail in the next section.

Coding the Survey

Examples from the Impact Survey are used to illustrate the different “types” of codes or coding approaches included in the Impact Survey. All codes in the survey are numeric, although there are three different “types” of numeric codes.

Numeric code

Type 1: Date code

Example:
Date joined program: ___________ (day/mo/yr.)

The interviewer would write the responses and enter them as follows:
03/05/98 for the 3rd of May 1998.

Numeric code

Type 2: Interval code or “counting” number

Example:
How old are you?

Specify number of years
99 = Don’t know

The interviewer would record the respondent’s age in the boxes provided. Assuming that ages will be at most two-digit numbers, two boxes have been provided, one digit per box. If a respondent were unable to provide his or her age, even with considerable probing and the help of an historical benchmark calendar, the interviewer would record 99 for “don’t know” in the boxes provided. With the exception of the 99 code, age is an interval or counting number that represents a quantitative amount that increases sequentially. An average or mean can be calculated from interval data.
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**Numeric code**

**Type 3:** Categorical number

**Example 1:**
Currently, are you ...? (Read answers. Enter only one.)

1. Married/free union 3. Widowed

Each code number corresponds to a specific and discrete response rather than an amount. Frequencies or prevalence (for example, 10 percent of the respondents were widows) can be calculated from categorical codes. It would be meaningless, however, to use these codes to calculate a mean or average.

**Example 2:**
Over the last 12 months, has the income you have been able to earn...? (Read answers and enter response.)

1--------------- 2----------------3------------------4---------------5--------------99
decreased decreased stayed the same increased increased Don't know
greatly   greatly

The responses 1 through 5 have been organized in a scale. These responses can be presented either as frequencies or percentages. For example, 15 percent of the clients reported that over the last 12 months the income they had been able to earn increased greatly. Unlike most categorical data, because the 1 through 5 responses have been organized as a scale, a comparison of the mean values for different sample groups would be meaningful (as long as all “99” responses are excluded).

**Single-Response versus Multiple-Response Questions**

All four of the numeric code examples listed above are questions that allow for only a single answer or response code. A respondent can have only one age or one marital status. For these types of questions, only a single code will be assigned. Other questions allow for more than one response. For example, in the following question, a respondent may have several different factors he or she considers when deciding to undertake an enterprise. For this reason, three...
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code boxes have been included in the survey; additional code boxes might be needed if the respondent cites more than three factors. Each code box is two characters in length to accommodate the “99. Don’t know” answer (also in case the question ends up with 10 or more possible answers after the “Other-Specify” responses are added). All of the responses (boxes) for a particular question should be combined in the analysis process, since any given answer could be entered in a different box for different questionnaires. The alternative is to specify “First”, “Second”, and “Third” for the three possible responses. However, this complicates the analysis because one is left with the choice of either looking at the frequencies of “Firsts” and “Seconds” and “Thirds” separately, or assigning a “weight” to each answer depending upon which box the answer appears.

Example:
When you are deciding to undertake an enterprise, what factors do you consider? (Do not read the answers. Multiple answers are possible. Probe by asking, “And anything else?”)

1. Work I am familiar with/It is the season/Others are doing it
2. Whether the product or service is in demand or whether it seems profitable
3. How much working capital is needed/whether I have enough money
4. Whether I can do it and still take care of my family and other responsibilities
5. Other (specify)______________________________________________________
99. Don’t know

Fixed versus “Open” Coded Responses

The “what factors?” question above is also an example of a semi-open-coded response. The first four responses have been anticipated and pre-coded. The fifth response, “other,” however, is open for responses not reflected in the pre-coded list. When a respondent gives a new answer (one that does not correspond to the meanings in the pre-coded responses 1 through 4), the interviewer should record this “new” response in the “specify” line. Typically, it is the survey supervisor(s) who will later review these “other” responses and assign discrete and distinct code numbers that are added to the code book. When designing your survey, revise the pre-coded answers to include likely responses from your clients.
Example:
If you could change something about the (insert organization name) program to make it even better, what would you change?

______________________________________________________________________
______________________________________________________________________
______________________________________________________________________

The question above is one of the few examples in the Impact Survey of a completely “open” question. No pre-coded response categories have been anticipated. Survey supervisors would typically review the specific suggestions that clients make and assign a numeric code. Responses that have similar meanings would likely be grouped together under a common numeric code to simplify and clarify the key recommendations. For example, responses such as “reduce the meeting frequency” and “meet monthly rather than weekly” would likely be assigned the same code number.

Pre-specified Codes

For consistency, certain common responses have been assigned specific code numbers throughout the survey. Quite a few questions call for a “yes” or “no” response. Throughout the survey, the following coding assignments have already been made:

- “Yes” is coded as “1”;
- “No” is coded as “0”;
- “Don’t know” is coded as “99”; and
- “Not applicable” is coded as “98.”

Coding the Enterprise Returns Information

The detailed information that interviewers collect on enterprise costs, revenue and profit is one of the more challenging sections to code. Interviewers will collect the amounts per week, per two weeks, or per month. These amounts need to be calculated and coded according to a uniform period of time (see examples for this question in Appendix 4.1, “Interviewer Training for Impact Survey”). It is suggested that this uniform time period be a month. So, for
example, if an interviewer records a respondent’s costs on a weekly basis, these costs would be summed and multiplied by four to approximate the monthly amount. Similarly, if sales were reported for a two-week period, this revenue would be multiplied by two to approximate the monthly amount.

F.2 Entering Data

After the data is coded, it can be entered into a data file for further analysis. A variety of data analysis programs can be used, but the design team tested and used EPI Info. The principal reasons for using EPI Info 2000 are that it is available without cost from the Internet, it can be used to design a data entry screen identical to your survey to facilitate data entry, possible responses for each question can be limited so as to minimize errors in data entry, and it can carry out the same statistical analysis functions as SPSS or other statistical programs. (The features of this software are discussed in greater detail in Appendix 4.6 on the CD.) The accuracy of the data entry is critically important to the validity of the survey results. Steps that can be taken to promote the accuracy of data entry include the following:

- Separate the tasks of interviewing from data entry and adequately train data entry operators including inputting practice examples of a coded survey (see Figure 4F-1, “Data Entry Practice Exercises”);

- Provide completely and clearly coded surveys to data entry operators so that they can focus their efforts on reading and correctly inputting the numeric codes;

- Programs like EPI Info allow specifications to be included in the data entry file so that for fixed-response questions only the anticipated codes can be entered. (For example, if only 1=yes, 0=no or 99=don’t know are possible answers, commands can be included in the data file to only accept these numeric values. If a numeric value such as “5” is entered in error, the computer gives an error message, and will not accept that value.)

- Programs like EPI Info also allow specifications to be included in the data entry file so that depending on the response the cursor will automatically jump to the next appropriate question. (For example, if a respondent replies “no,” he or she was not forced to discontinue doing business during the last 12 months, the cursor will automatically jump past the follow-up question “for how many months?” that is intended only for individuals who were forced out of business.)
F.3 Analyzing Data

After all survey codes have been entered into the data file, data “cleaning” and analysis can begin. This section gives examples of the two most common types of analysis that will need to be performed. First, examples of how to analyze categorical variables or codes are described—frequencies, cross tabulations (or “cross-tabs”) by survey sample groups, and Chi square tests to determine whether prevalences are statistically significant. Then, examples for how to analyze interval data are described—means, cross tabs by survey sample groups and ANOVA or Kruskal-Wallis tests to determine whether differences in mean values are statistically significant.

Step 1: “Cleaning” the Data

The first step in analyzing any data set is to “clean” the data. “Cleaning” in this case refers to checking whether there are any obvious errors in the data that was entered and if so, correcting the information. For example, there are only seven fixed pre-coded responses to the question about the relative change in the respondent’s income.

Example:
Over the last 12 months, has the income you have been able to earn...? (Read answers and enter response.)

-----1-------------2 ----------------3------------- 4 -------------5----------------99-----------98-----
decreased decreased stayed the same increased increased Don’t know Not applicable
greatly greatly

Assuming that the data entry operators are responsible only for entering the data rather than coding the survey, the most useful training exercise is to practice entering mock or actual surveys. The objectives of the training are to emphasize the utter importance of entering exactly what is coded on the survey, to know what to enter if there is no response for a particular survey question, and to familiarize the data entry operator with the mechanisms of the data entry program. Practicing how the cursor will move, learning how to best shift one’s focus from the coded survey to the computer screen and establishing a methodical “rhythm” for the data entry are skills that must be practiced.
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The first step in analysis is to look at how many respondents answered this question and the range of responses that were given. In this example, the variable name was “YOURINC”. A total number of 94 individuals participated in the survey. A frequency for this variable tells how many persons gave each of the different responses to this question. The following table indicates in the TOTAL line that all 94 individuals provided an answer to this question. If the TOTAL were only 90, then it would be clear that data was missing for four of the 94 surveys. When cleaning the data, it is important to refer back to the completed surveys and check whether the data for these four surveys really was missing or if the data-entry operators simply failed to load it. (To do this requires a follow-up command, SELECT, to isolate the four surveys with missing data for the variable “YOURINC”, and then you can identify the survey identification numbers for those cases.) In the example below, however, no cases are missing.

<table>
<thead>
<tr>
<th>YOURINC</th>
<th>Freq</th>
<th>Percent</th>
<th>Cum.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>5</td>
<td>5.3%</td>
<td>5.3%</td>
</tr>
<tr>
<td>2</td>
<td>14</td>
<td>14.9%</td>
<td>20.2%</td>
</tr>
<tr>
<td>3</td>
<td>13</td>
<td>13.8%</td>
<td>34.0%</td>
</tr>
<tr>
<td>4</td>
<td>39</td>
<td>41.5%</td>
<td>75.5%</td>
</tr>
<tr>
<td>5</td>
<td>22</td>
<td>23.4%</td>
<td>98.9%</td>
</tr>
<tr>
<td>98</td>
<td>1</td>
<td>1.1%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Total</td>
<td>94</td>
<td>100.0%</td>
<td></td>
</tr>
</tbody>
</table>

This table also indicates that all the specified responses (see the first column in the table under “YOURINC”) were pre-coded responses. If the table indicated that one person had said “6” (a “6” would be listed in the “YOURINC” column with a 1 in the Frequency column), this would reflect a data entry or coding error since “6” does not correspond with any of the possible responses. Again, it would be necessary to refer to the actual surveys and check whether this question was really coded as a “6” or if a data entry error was made. If a “6” were actually listed in the code box, the response would need to be changed to “missing” since it would not be clear what the actual answer had been. If after referring to the survey, it is determined that the response was actually coded as a “3” but somehow a data entry error had been made, then this correction would need to be made in the data file. (As mentioned above, some data analysis programs like EPI Info can prevent this type of data entry error by controlling the range of acceptable response codes.)
Step 2: Examples of Most Common Types of Analysis and How To Read the Results

NOTE: Please refer to Appendices 4.5, 4.6, 4.7 and 4.8 for more information on the use of EPI Info 2000 and how to interpret the results of the analysis.

Categorical Variables: Many questions in the Impact Survey are categorical variables such as “YOURINC”. The numeric codes for this variable represent discrete choices rather than amounts (example for illustration only).

Example:
Q.1: How many and what percent of the respondents’ incomes had “decreased greatly,” “decreased,” “stayed the same,” “increased,” or “increased greatly”?

To answer this question, perform a frequency. (In EPI Info, the analysis command would be FREQ YOURINC. See Appendices 4.5 and 4.6 for more instructions on the use of EPI Info.) From the “cleaning” step, we know that in one case a respondent reported “98” for “not applicable”, meaning that they could not answer this question since they had no personal income. This individual’s response has been excluded from the analysis below since “not applicable” is a response very similar to “missing.” (In EPI Info, the analysis command to exclude this case would be SELECT YOURINC<90. This selects all values less than 90, thereby excluding the “not applicable” response.)

Figure 4F-2, “EPI Info 2000 Output Screen”, is a three-part example of how the results output screen would appear in EPI Info 2000. The first illustration depicts the Results Library portion of the screen after selecting the data set to be used—in this case the impact survey from Mali, called “Malimp”, which is saved within a database file called “Manual~1”. There are 94 cases or survey responses in the data set. The second screen has the same data file (Current View) with the one value of 98 excluded for the “yourinc” variable. The screen depicts a selection of “yourinc<90” and a record count of 93. The third screen shows all three portions of the EPI Info Output Screen, including the available analysis commands in the left-hand portion, and the results table. The criteria indicates that only those cases whose responses to “yourinc” were less than 90 are included in this analysis. Reading along the first column of the table we can see the range of responses given. The Frequency column lists the number of cases or individuals who gave each of these responses followed by the percent this number represents of the total. The final column, Cum Percent, reports the cumulative percentage represented by the sum of this and all previous answers.
FIGURE 4F-2. Epi Info 2000 Output Screen

EpiInfo 2000
Results Library

Current View: C:\EPI2000\MANUAL-1.MDB\viewMa limp
Record Count: 94 (Deleted records excluded)  Date: 6/7/01 6:05:32 PM

EpiInfo 2000
Results Library

Current View: C:\EPI2000\MANUAL-1.MDB\viewMa limp
Select: yourinc < 90
Record Count: 93 (Deleted records excluded)  Date: 6/7/01 5:10:51 PM
Example:
Q. 2: Are there meaningful differences between non-client and client groups reporting increases in their income over the last 12 months?

Answering this question requires a two-step process. First, a new variable can be created that combines those who responded “increased” and “increased greatly.” (In EPI Info, the analysis commands to do this would be as follows: Click on ‘Define’, then type in “MOREINC” and hit OK; click on ‘If’ under the Analysis commands to begin putting in the equation: If YOURINC=4 or YOURINC=5 then Assign MOREINC=1 else Assign MOREINC=0.)
Second, a cross-tab table that presents the responses by survey sample group can be created. (In EPI Info, the command to do this would be Tables MOREINC PART.) In this example, the sample groups are represented by a variable called “PART” for participant status. One-year clients have part=1, two-year clients have part=2 and incoming clients or the non-client comparison group has part=3.

The cross-tab table below reports the number and percent of clients within each of these three survey sample groups who reported that their incomes had increased (MOREINC=1), and the number and percent whose incomes had either stayed the same or decreased (MOREINC=0). Percentages are calculated both by row and column. From the Total column, it is possible to see how many cases or respondents were included in each sample group. Again, the individual who reported that the question was not applicable to them was excluded from this analysis, so the total number of cases or respondents equals 93 rather than 94.
A 2x2 cross-tab table is normally followed by a statistical test of differences between the sample groups. For categorical data, the statistical test is typically a Chi square. For this example, however, there are three sample groups. Since it would not be possible to say which two groups were significantly different among the three, EPI Info 2000 does not include a statistical test of differences. The implications of the Chi square tests are clearer in comparisons of the prevalences of just two groups. The analysis below was done excluding one of the sample groups.

In the following example, the “current selection” report indicates that only those cases whose variable PART does not equal “2” (the two-year clients) are included in this analysis. The following cross-tab table only reports on the results of the one-year and incoming client samples. The table indicates that 65.6 percent of the one-year clients reported that their income had increased as compared to 51.6 percent of the incoming clients. The statistical tests indicate, however, that while more one-year clients reported an increase than incoming clients, this difference in prevalence is not statistically significant. (The 2-tailed p-value of the Chi-square-uncorrected is too large.)
### Table: More Inc: Part

<table>
<thead>
<tr>
<th>MOREINC</th>
<th>1</th>
<th>3</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>11</td>
<td>15</td>
<td>26</td>
</tr>
<tr>
<td>Row %</td>
<td>42.3</td>
<td>57.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Col %</td>
<td>34.4</td>
<td>48.4</td>
<td>41.3</td>
</tr>
<tr>
<td>1</td>
<td>21</td>
<td>16</td>
<td>37</td>
</tr>
<tr>
<td>Row %</td>
<td>56.0</td>
<td>43.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Col %</td>
<td>65.6</td>
<td>51.6</td>
<td>58.7</td>
</tr>
<tr>
<td>TOTAL</td>
<td>32</td>
<td>31</td>
<td>63</td>
</tr>
<tr>
<td>Row %</td>
<td>50.8</td>
<td>49.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Col %</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**Single Table Analysis**

**Point Estimate**
- Odds Ratio (cross product): 0.5587
- Odds Ratio (MLE): 0.5840

**95% Confidence Interval**
- Odds Ratio (cross product): (0.2027, 1.5403)
- Odds Ratio (MLE): (0.1988, 1.5661)

**PARAMETERS: Risk-based**
- Risk Ratio (RR): 0.7454
- Risk Difference (RD): -14.4491

**95% Confidence Interval**
- Risk Ratio (RR): (0.4389, 1.2660)
- Risk Difference (RD): (-39.2577, 10.3596)

(\(T=\) Taylor series; \(C=\) Cornfield; \(M=\) Mid-P; \(F=\) Fisher Exact)

**Statistical Tests**
- Chi-square 1-tailed: 1.2755
- Chi-square corrected: 0.7629
- Mid-p exact: 0.8629636825
- Fisher exact: 0.9172486601
**Interval or Counting Variables:** Some of the variables in the Impact Survey are interval variables (such as “YRSIN SCH”, which represents the number of years of school the respondent completed). The numeric codes for this type of variable represent real or counting numbers.

**Example:**

Q 1: What is the average number of years of formal education completed by the respondents?

To answer this question, the mean value of years in school needs to be calculated. (in EPI Info, the analysis command would be Means YRSIN SCH.) The graphic below is an example of the means results for this variable in EPI Info 2000. A frequency table for the variable appears first. From this table, we can see that 67 (72 percent) of the respondents completed no formal education at all and only one person completed twelve years, which would be the equivalent to finishing high school. Additional results for this variable are provided below the frequency table. “Total” refers to the total number of respondents that provided information for this variable. “Sum” is the total value of all the numeric values for this variable. “Mean” is similar to the mathematical average. (Variance, standard deviation and standard error are statistical calculations that indicate variability or distribution of the data—it is not necessary to understand these terms in order to determine whether your results are “statistically significant.” See Appendix 4.7.) The third row reports: the “Minimum” value reported for this variable; the cut-off value for 25 percent of the cases; the “Median” or mid-point value for the variable (half of the cases are below and half are above this value); the cut-off value for 75 percent of the cases; the “Maximum” value reported; and the “Mode” or the value reported most often.
From the above results, we can know that 1.9 was the average or mean number of years in school for these 93 respondents. The most common response (the mode) was “no years in school” (0). The maximum number of years in school for this sample was twelve years.

**Example:**

Q 2: Are there meaningful differences in the number of years of school completed by clients and non-clients?

Answering this question requires comparing the means of the different sample groups. (In EPI Info 2000, the command to do this would be Means YRSINSCH PART. This calculates the Means of YRSINSCH cross-tabulated by the value of PART.) Again, in this example, the variable “PART” refers to the respondents’ participant or client status. One year clients have part=1, two-year clients have part=2 and incoming clients or the non-client comparison group have part=3.
The means analysis below begins with a cross tabulation (cross-tab) table that reports the frequency by client group. From reviewing this table, we can see that very similar percentages of each client group never attended school. We can also see that the individual who completed the most school (12 years) was a two-year client.

<table>
<thead>
<tr>
<th>YRSINCH</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0</td>
<td>24</td>
<td>22</td>
<td>21</td>
<td>67</td>
</tr>
<tr>
<td>Row %</td>
<td>35.8</td>
<td>32.8</td>
<td>31.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Col %</td>
<td>72.7</td>
<td>73.3</td>
<td>70.0</td>
<td>72.0</td>
</tr>
<tr>
<td>3</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Row %</td>
<td>0.0</td>
<td>66.7</td>
<td>33.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Col %</td>
<td>0.0</td>
<td>6.7</td>
<td>3.3</td>
<td>3.2</td>
</tr>
<tr>
<td>4</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Row %</td>
<td>0.0</td>
<td>100.0</td>
<td>0.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Col %</td>
<td>0.0</td>
<td>3.3</td>
<td>0.0</td>
<td>1.1</td>
</tr>
<tr>
<td>5</td>
<td>1</td>
<td>0</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Row %</td>
<td>25.0</td>
<td>0.0</td>
<td>75.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Col %</td>
<td>3.0</td>
<td>0.0</td>
<td>10.0</td>
<td>4.3</td>
</tr>
<tr>
<td>6</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Row %</td>
<td>50.0</td>
<td>16.7</td>
<td>33.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Col %</td>
<td>9.1</td>
<td>3.3</td>
<td>6.7</td>
<td>6.5</td>
</tr>
<tr>
<td>7</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Row %</td>
<td>50.0</td>
<td>50.0</td>
<td>0.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Col %</td>
<td>3.0</td>
<td>3.3</td>
<td>0.0</td>
<td>2.2</td>
</tr>
<tr>
<td>8</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Row %</td>
<td>0.0</td>
<td>33.3</td>
<td>66.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Col %</td>
<td>0.0</td>
<td>3.3</td>
<td>6.7</td>
<td>3.2</td>
</tr>
<tr>
<td>9</td>
<td>3</td>
<td>0</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Row %</td>
<td>75.0</td>
<td>0.0</td>
<td>25.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Col %</td>
<td>9.1</td>
<td>0.0</td>
<td>3.3</td>
<td>4.3</td>
</tr>
<tr>
<td>10</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Row %</td>
<td>50.0</td>
<td>50.0</td>
<td>0.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Col %</td>
<td>3.3</td>
<td>3.3</td>
<td>0.0</td>
<td>2.2</td>
</tr>
<tr>
<td>12</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Row %</td>
<td>0.0</td>
<td>100.0</td>
<td>0.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Col %</td>
<td>0.0</td>
<td>3.3</td>
<td>0.0</td>
<td>1.1</td>
</tr>
<tr>
<td>TOTAL</td>
<td>33</td>
<td>30</td>
<td>30</td>
<td>93</td>
</tr>
<tr>
<td>Row %</td>
<td>35.5</td>
<td>32.3</td>
<td>32.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Col %</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>
The above cross-tab table is followed by information on the average number of years in school for one-year clients (2.0) compared to 1.8 years for two-year clients and 1.8 years for incoming clients.

The means report is followed by statistical tests of the mean differences for the three sample groups. The ANOVA results can only be used for data that is “normally distributed”. It is followed by the Bartlett’s test for homogeneity that will indicate whether the data can be considered normally distributed. In this case, the Bartlett’s test had a p-value greater than
.05 indicating that the variances across the three sample groups were sufficiently similar for the samples to be considered normally distributed. Thus, in this case the ANOVA results can be used. Referring to the ANOVA results, the p-value is very high, indicating the groups are very similar. Only if the ANOVA p-value was less than .05 would the mean differences across the three groups be significantly different. (If the Bartlett’s test had a p-value less than .05, it would indicate that the data is not normally distributed so the p-value results from the Kruskal-Wallis non-parametric tests should be used rather than the ANOVA.)

The ANOVA results above compare the mean values of the three groups simultaneously. Even if a significant difference were found it would not be clear which group or two groups had significantly different mean years in school. In the following print out, the “Select” line indicates that only cases whose variable “PART” did not equal to “2” were included (Select: PART <> 2). In this way, only the mean values of the one-year clients and incoming clients are being compared. Although the one-year clients completed a slightly higher mean number of years in school, the high p-value indicates similarity between both groups. Because the p-value is greater than .05, there is no significant difference between the years of school completed by one-year and incoming clients. (Again, the Bartlett’s test indicated that the ANOVA results could be used. See Appendices 4.6 and 4.7)
### Chapter 4F

**Learning from Clients:**
**4F-22 Tool 1**

**Assessment Tools for Microfinance Practitioners**

**Guidelines for Data Coding and Analysis**

---

**MEANS YRSINSCH PART**

**YRSINSCH : PART**

<table>
<thead>
<tr>
<th>PART</th>
<th>YRSINSCH</th>
<th>1</th>
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<td>6.7</td>
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<td>0</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Row %</td>
<td>100.0</td>
<td>0.0</td>
<td>100.0</td>
</tr>
<tr>
<td></td>
<td>Col %</td>
<td>3.0</td>
<td>0.0</td>
<td>1.6</td>
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<td>2</td>
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<td>Row %</td>
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<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td></td>
<td>Col %</td>
<td>0.0</td>
<td>6.7</td>
<td>3.2</td>
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<td></td>
<td>4</td>
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<tr>
<td></td>
<td>Row %</td>
<td>75.0</td>
<td>25.0</td>
<td>100.0</td>
</tr>
<tr>
<td></td>
<td>Col %</td>
<td>9.1</td>
<td>3.3</td>
<td>6.3</td>
</tr>
<tr>
<td>10</td>
<td>1</td>
<td>0</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Row %</td>
<td>100.0</td>
<td>0.0</td>
<td>100.0</td>
</tr>
<tr>
<td></td>
<td>Col %</td>
<td>3.0</td>
<td>0.0</td>
<td>1.6</td>
</tr>
<tr>
<td>TOTAL</td>
<td>33</td>
<td>30</td>
<td></td>
<td>63</td>
</tr>
<tr>
<td></td>
<td>Row %</td>
<td>52.4</td>
<td>47.6</td>
<td>100.0</td>
</tr>
<tr>
<td></td>
<td>Col %</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>
### Descriptive Statistics for Each Value of Crosstab Variable

<table>
<thead>
<tr>
<th>Obs</th>
<th>Total</th>
<th>Mean</th>
<th>Variance</th>
<th>Std Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>32</td>
<td>67.0000</td>
<td>2.0303</td>
<td>12.1533</td>
</tr>
<tr>
<td>2</td>
<td>40</td>
<td>55.0000</td>
<td>1.8333</td>
<td>9.1092</td>
</tr>
</tbody>
</table>

Minimum 25% Median 75% Maximum Mode

| 1   | 0.0000 | 0.0000 | 0.0000 | 5.0000 | 10.0000 | 0.0000 |
| 2   | 0.0000 | 0.0000 | 0.0000 | 5.0000 | 9.0000  | 0.0000 |

### ANOVA, a Parametric Test for Inequality of Population Means

(For normally distributed data only)

<table>
<thead>
<tr>
<th>Variation</th>
<th>SS</th>
<th>df</th>
<th>MS</th>
<th>F statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between</td>
<td>0.6097</td>
<td>1</td>
<td>0.6097</td>
<td>0.0569</td>
</tr>
<tr>
<td>Within</td>
<td>653.1364</td>
<td>61</td>
<td>10.7072</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>653.7460</td>
<td>62</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

P-value = 0.8122

### Bartlett’s Test for Inequality of Population Variances

Bartlett’s chi square = 0.6177, df = 1, P value = 0.4319

A small p-value (e.g., less than 0.05) suggests that the variances are not homogeneous and that the ANOVA may not be appropriate.

### Mann-Whitney/Wilcoxon Two-Sample Test (Kruskal-Wallis test for two groups)

Kruskal-Wallis H (equivalent to Chi square) = 0.0048

Degree of freedom = 1

P value = 0.9449

---

**Step 3: Examples from Each Section of the Survey Showing How To Analyze Data and Present the Results**

Each section of the survey focuses on a specific area or level of impact. Drawing on the experience of the tools test in Mali, this section provides examples of the types of study questions and analysis that can be performed. Examples are also included for how survey results might be presented or summarized. Although not all the survey questions are summarized here, the most common types of analysis and presentation are described,
illustrating approaches that can be applied to other survey questions. For each example, the impact issue addressed by the results is listed first, followed by the survey section, specific survey questions and results.

**Example 1. Client Experience with the Program**

Q: What has been the client’s experience with the program? How long have they been in the program? How many loans have they taken? How large are their loans? How much have their loans grown since they joined the program? Does program loan size differ by program area or type of community? How many clients have recently experienced repayment problems?

**Survey Section:** Client Information (Interviewee Data Form) portion of the survey completed from program records and question #34a.

Before the survey even begins, the interviewer is to record program information about the clients from program records. This information can be analyzed to provide descriptive information about the clients’ experience with the program. Each of the averages presented in Figure 4F-3, “Program Loan History for One-year and Two-year Clients,” was computed by using the Means command described above for interval data. The number reporting repayment difficulties was computed from a simple frequency of those responding to question #34a, “Did you face any difficulty repaying your loan to the program in the last loan cycle?” A follow-up question asking those clients who had a problem what caused this problem provides additional insight into this issue.

**Figure 4F-3. Program Loan History for One-year and Two-year Clients (in $US)**

<table>
<thead>
<tr>
<th></th>
<th>One-year Clients</th>
<th>Two-year Clients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n=33</td>
<td>n=30</td>
</tr>
<tr>
<td>Average number of months in the program</td>
<td>14 months</td>
<td>24 months</td>
</tr>
<tr>
<td>Average number of program loans (4-month loans)</td>
<td>3.4</td>
<td>5.9</td>
</tr>
<tr>
<td>Average amount of first loan</td>
<td>$35</td>
<td>$29</td>
</tr>
<tr>
<td>Average amount of current loan</td>
<td>$48</td>
<td>$85</td>
</tr>
<tr>
<td>Town (category 1)</td>
<td>$101</td>
<td>$121</td>
</tr>
</tbody>
</table>
It is not necessary to perform statistical tests to assess whether the responses of the two client sample groups are significantly different, because this information is meant to describe program experience rather than evaluate program impact. Still, interesting trends can be seen in these descriptive results. It is clear that program loans start very small and do not grow very much within the first year. Even after two years and almost six program loans, the average loan size is still under $100. The “type” of program community in which a client lives, however, seems to have a greater influence on the size of the loan taken than how long they have been in the program. One-year clients living in a town have an average loan size that is more than four times the average taken by clients living in small villages. Few clients (3 - 6 percent) reported experiencing repayment problems in the last loan cycle.

**Example 2. Survey Sample Demographic Characteristics**

Q: Are the survey sample groups similar in terms of their demographic characteristics? Are there systematic differences between the respondent groups that might influence the impact variables included in the survey? Could these systematic differences in demographic characteristics—rather than the impact of the program—explain differences in these outcome variables evident between the sample groups?

**Survey Section:** Individual-Level Basic Information—questions #1-6. Household-Level Basic Information—questions 7-9.

Figure 4F-4, “Respondents’ Individual Demographic Information,” and Figure 4F-5, “Household Demographic Information,” summarize the responses to the questions pertaining to the respondent’s demographic information. Questions with categorical responses such as marital status or whether the respondent could read are reported as percentages. (In EPI Info, the command to generate frequencies of marital status by survey group is Tables marital part.) Questions with interval or real counting number responses such as the respondent’s age or years of completed school are reported as means. (In EPI Info, the command to generate means by survey group is Means yrsinsch part.)
The numbers across the three survey sample groups (one-year clients, two-year clients and incoming clients) appear to be similar. Statistical tests must be performed, however, to determine whether the responses are significantly different or not. For those questions reporting percentages, a Tables command was used to perform chi-square statistical tests and determine whether significant differences were evident between the sample groups. For those questions reporting numerical or counting variables (such as age or income amount) the Means test was used to perform analysis of variance (ANOVA) statistical tests. In all cases, only two survey sample groups were compared at a time; for example, one-year vs. two-year clients, two-year vs. incoming clients, or one-year vs. incoming clients.

**Figure 4F-4.**
Respondents’ Individual Demographic Information

<table>
<thead>
<tr>
<th></th>
<th>One-year Clients n=33</th>
<th>Two-year Clients n=30</th>
<th>Incoming Clients n=31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent married-monogamous</td>
<td>48</td>
<td>47</td>
<td>29</td>
</tr>
<tr>
<td>Percent married-polygamous</td>
<td>39</td>
<td>50</td>
<td>61</td>
</tr>
<tr>
<td>Percent not married</td>
<td>12</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Mean age (in years)</td>
<td>33</td>
<td>37</td>
<td>31</td>
</tr>
<tr>
<td>Mean years in school</td>
<td>2.0</td>
<td>1.8</td>
<td>1.8</td>
</tr>
<tr>
<td>Percent never attended school</td>
<td>73</td>
<td>73</td>
<td>70</td>
</tr>
<tr>
<td>Percent able to read a letter</td>
<td>21</td>
<td>17</td>
<td>10</td>
</tr>
</tbody>
</table>

In the Mali tools test, the sampling strategy produced three survey groups with similar demographic characteristics. No significant differences between these three client categories were found in any of the individual-level demographic indicators (as the program only lent to women, the question about client gender was excluded.). Women across the three survey groups were quite similar. The overwhelming majority of them were married, approximately half of these in polygamous unions, and their mean age was 34 years with no significant difference among the three sample groups. On average, the women included in the Impact Survey had completed only two years of school with close to three-quarters of the women in each of the three samples having attended no school at all. Although one-year and two-year clients were somewhat more likely to read than incoming clients, the differences were not statistically significant.
Figure 4F-5 summarizes information pertaining to the respondents’ households. Again, statistical tests determined that no significant differences were found among the three client categories in any of the household-level demographic information. If, for example, two-year clients were found to have significantly higher numbers of salaried workers or years of completed education, these demographic differences might explain an apparent difference in the results of the analysis. These systematic differences, rather than the impact of the program, might explain higher rates among two-year clients reporting increased income or greater spending on education relative to the other sample groups. In this case, however, because no significant differences were found in key demographic characteristics, the sample groups can be assumed to be comparable.

**Figure 4F-5.**
Household Demographic Information

<table>
<thead>
<tr>
<th></th>
<th>One-year Clients n=31</th>
<th>Two-year Clients n=30</th>
<th>Incoming Clients n=31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean number of adults</td>
<td>7.10</td>
<td>5.90</td>
<td>6.40</td>
</tr>
<tr>
<td>(persons &gt;18 years)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean number of children</td>
<td>6.80</td>
<td>7.50</td>
<td>6.50</td>
</tr>
<tr>
<td>(persons &lt;18 years)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean number in household</td>
<td>13.90</td>
<td>13.30</td>
<td>12.70</td>
</tr>
<tr>
<td>Percent female-headed household</td>
<td>6.00</td>
<td>3.00</td>
<td>7.00</td>
</tr>
<tr>
<td>Mean number of household members with salaried job</td>
<td>0.52</td>
<td>0.50</td>
<td>0.55</td>
</tr>
<tr>
<td>Percent of households without a salaried worker</td>
<td>67.00</td>
<td>63.00</td>
<td>64.00</td>
</tr>
</tbody>
</table>

**Example 3. Loan Use**

Q: How do clients use their program loans? What are the most common loan activities? Is it common for clients to use at least some part of their loans in non-productive ways?

**Survey Section:** Loan Use and Individual Income—questions 12a and 12b

Figure 4F-6 lists in declining order of frequency the most common loan activities reported by clients in Mali. Of course, this list would differ by program area but a similar type of presentation can be used. These results were generated through simple frequencies of the
client responses to question #12a, “How did you invest the last loan you took from the program?” Because this question allows for multiple responses, it is necessary to sum the frequencies for each response (each coded loan activity) for the first through the last response given. (As is mentioned at the end of page 4F-4, for a question with multiple possible responses, a specific response could be written in the first and third boxes on different surveys. Thus, the variable names that correspond to each answer box for a particular survey question should all be assigned/combined into a new variable before doing the frequency command.)
**Figure 4F-6.**
Principal Enterprises in Which Current Clients Reported Investing Their Last Program Loan

<table>
<thead>
<tr>
<th>Reported Loan Activities</th>
<th>Percent of Current Clients (n=63)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sell condiments (salt, garlic, soumbala, cube magi, shea butter)</td>
<td>37</td>
</tr>
<tr>
<td>Make and sell cooked food (restaurant, food stall or road-side table)</td>
<td>33</td>
</tr>
<tr>
<td>Buy and sell cereal(s)</td>
<td>13</td>
</tr>
<tr>
<td>Make and sell clothing</td>
<td>11</td>
</tr>
<tr>
<td>Make and sell beverages (primarily local beer)</td>
<td>8</td>
</tr>
</tbody>
</table>

Figure 4F-7 reports the percentage of clients who reported that they had used at least a portion of their last loan in a number of non-productive ways. These percentages were generated through simple frequencies and cross-tab tables. (In EPI Info, the command to generate loan use frequencies by survey group is “Tables loanuse part”.) Chi-square statistical tests were used to compare whether significant differences existed between the one-year and two-year clients. Two-year clients were significantly more likely to have spent some of their last loan to buy clothing or other articles for their families.

**Figure 4F-7.**
Percent of Clients Who Had Used All or Some of Their Last Loan Nonproductively

<table>
<thead>
<tr>
<th>To buy clothes or other articles for the family</th>
<th>One-year Clients (n=33)</th>
<th>Two-year Clients (n=30)</th>
</tr>
</thead>
<tbody>
<tr>
<td>To save for emergencies or repayment of the loan</td>
<td>24</td>
<td>34</td>
</tr>
<tr>
<td>Gave or lent to husband or somebody else</td>
<td>15</td>
<td>21</td>
</tr>
<tr>
<td>To buy food for the family</td>
<td>18</td>
<td>7</td>
</tr>
</tbody>
</table>

* Chi square—significant difference between two-year and one-year client samples (p-value<.05)

**Example 4. Personal Income and Enterprise Income**

Q: Does participation in the program increase clients' incomes? What is the level of client profit from her enterprise and is it significantly more than non-client groups? Do enterprise returns differ by “type” of program community?
Survey Section: Individual Income—questions #14a-c. Enterprise Income—questions #16-#17.

To evaluate impact on income, the survey includes both general retrospective questions and very specific detailed questions about enterprise returns. Examples of both types of questions are included here. For the Mali tools test, program impact was evaluated through two types of comparisons. First, the responses of current clients (one-year and two-year clients together) were compared to incoming clients. If no significant differences were found, then the responses of two-year clients only were compared to incoming clients. This approach was based on the assumption that even when program impact was not evident in statistical tests comparing current and incoming clients, the longer duration of program exposure of the two-year clients made impact more likely in that group, particularly for outcomes that take a longer time to surface.

Figure 4F-8 is a more pictorial way of presenting selected survey results. The graph plots the percentage of respondents reporting that their income had “increased,” “stayed the same” or “decreased.” (Some of the response categories in question #14a have been collapsed for simplicity.) With this graph, it is clear that the majority of women in each of the three survey sample groups reported an increase in their personal income over the last 12 months. Follow-up questions #14b and #14c provide greater insight into why incomes increased or decreased. Statistical tests indicated, however, that current clients (a combination of the one-year and two-year clients) were significantly more likely to have reported an increase than were incoming clients. The analysis was conducted in the following way. First, a new variable was created called MOREINC (see the example on page 4F-11). All respondents who reported their income had either “increased greatly” or “increased” were assigned a “1” for MOREINC and those who reported that their income had either “stayed the same,” “decreased” or “decreased greatly” were assigned a “0” for MOREINC. Then a chi-square test comparing the percentage of current clients (one-year and two-year) and incoming clients was performed and found to be significant.
**Figure 4F-8**

Change in Personal Income over the Last 12 Months

![Bar chart showing percentage of one-year, two-year, and incoming clients who increased, stayed the same, or decreased their income over the last 12 months.](chart)

Significant Difference between Current (2-year and 1-year) Clients vs. and Incoming Clients reporting Increased Income (p<.05)

---

Figure 4F-9, “Monthly Enterprise Sales and Profit,” summarizes the enterprise sales and profit information for up to two different enterprises that the respondent had engaged in over the last four weeks. (This was done by creating a new variable and summing the monthly amounts for activity #1 and activity #2—see survey questions #16 and #17.) The “calculated profit” amounts were computer-generated by subtracting the reported monthly costs from the monthly reported sales revenue. The “reported profit” represents the woman’s own estimate of her profit converted into uniform monthly amounts for comparison purposes.

In Figure 4F-9, median rather than mean values are reported. As described earlier in Step 2, the median value is the mid-point at which 50 percent of the cases fall above and 50 percent below. Median values are not as greatly affected by extreme values in the data as mean values are. Because a number of extreme values were evident in the Mali data set, the median results are presented since they provide a truer comparative sense of each sample group’s enterprise returns.

**Figure 4F-9.**

Monthly Enterprise Sales and Profit (median values in $US)

<table>
<thead>
<tr>
<th></th>
<th>One-year Clients n=33</th>
<th>Two-year Clients n=31</th>
<th>Incoming Clients n=31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>46</td>
<td>50</td>
<td>31</td>
</tr>
<tr>
<td>Calculated Profit</td>
<td>10</td>
<td>16</td>
<td>11</td>
</tr>
<tr>
<td>Reported Profit</td>
<td>14</td>
<td>11</td>
<td>11</td>
</tr>
</tbody>
</table>
In Figure 4F-9, two-year clients had the highest median-calculated monthly profit and incoming clients reported the lowest. The mean monthly enterprise sales and profits (both women’s estimates and computer-calculated), however, were not significantly different for incoming clients as compared to current clients or for incoming clients as compared to two-year clients.

Enterprise sales and profits were very much influenced by the commercial development of the community. Women’s reported sales and profits were between 2 and 24 times higher in towns as compared to small villages. (See Figure 4F-10, “Monthly Enterprise Sales and Profit by Community Category.”) The relative gap between enterprise profits in towns and small villages is greater than the difference in average program loan size for these two types of communities. This may reflect lower returns to loan capital in small villages where there is less commercial activity. These comparisons were made by first selecting a single sample group and then generating mean and median values by “type” of program community.

<table>
<thead>
<tr>
<th></th>
<th>Sales</th>
<th>Calculated</th>
<th>Reported</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>One-year Clients</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cat. 3—small</td>
<td>28</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>Cat. 1—towns</td>
<td>175</td>
<td>53</td>
<td>60</td>
</tr>
<tr>
<td><strong>Two-year Clients</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cat. 3—small</td>
<td>45</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>Cat. 1—towns</td>
<td>85</td>
<td>47</td>
<td>35</td>
</tr>
<tr>
<td><strong>Incoming Clients</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cat. 3—small</td>
<td>24</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Cat. 1—towns</td>
<td>644</td>
<td>75</td>
<td>75</td>
</tr>
</tbody>
</table>

**Example 5. Changes at the Individual Level in Personal Savings and Entrepreneurial Skill**

Q: Has participation in the program led to a progression or improvement in the enterprise activity? How has the enterprise changed? Has program participation led to enterprise expansion, diversification, improvements in product quality, and the like? Has participation allowed for greater investment in the enterprise’s productive capacity?
Survey Section: Enterprise Improvement and Assets (questions #21-22)

Given the difficulty in accurately assessing impact on income, the Impact Survey includes a series of questions to assess numerous changes and improvements in the enterprise that would likely lead to increased profits and productivity. These results can be presented in detail as in Figure 4F-11, “Improvement of the Microenterprise,” and Figure 4F-12, “Enterprise Assets,” or in summary as in Figure 4F-13, “Changes in Enterprise Practices.”

**Figure 4F-11.**
Improvement of the Microenterprise

<table>
<thead>
<tr>
<th>During the last 12 months, did you make any of the following changes so that your enterprise could earn more income or be more productive?</th>
<th>Percent One-year Clients n=33</th>
<th>Percent Two-year Clients n=30</th>
<th>Percent Incoming Clients n=31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expanded size of enterprise *</td>
<td>67</td>
<td>72</td>
<td>36</td>
</tr>
<tr>
<td>Added new products *</td>
<td>39</td>
<td>60</td>
<td>23</td>
</tr>
<tr>
<td>Hired more workers **</td>
<td>0</td>
<td>17</td>
<td>0</td>
</tr>
<tr>
<td>Improved quality or desirability of product/added value</td>
<td>42</td>
<td>83</td>
<td>55</td>
</tr>
<tr>
<td>Reduced costs by buying inputs in greater volume or at wholesale prices</td>
<td>70</td>
<td>77</td>
<td>52</td>
</tr>
<tr>
<td>Reduced costs with cheaper source of credit *</td>
<td>63</td>
<td>80</td>
<td>13</td>
</tr>
<tr>
<td>Developed a new enterprise *</td>
<td>30</td>
<td>43</td>
<td>10</td>
</tr>
</tbody>
</table>

*Significant difference between current clients (one-year and two-year clients) versus incoming clients (p<.05).
**Significant difference between two-year clients vs. incoming clients (p<.05).

Figure 4F-11 presents the detailed results of those responding that they had made the following specific changes to their enterprise over the last 12 months (see survey question #21). Again, this categorical information was generated through simple cross tables by survey sample group. Statistical chi-square tests were then performed, first comparing the responses of current clients (one-year and two-year clients) versus incoming clients. If no difference was evident, the responses of two-year clients alone were compared to incoming clients. An asterisk is used to note whether a significant difference was found and with which comparison. The results indicate participation in the program did lead to a number of changes in the enterprise, especially for the two-year clients.
Figure 4F-12 summarizes a similar approach for question #22, which focuses on changes in enterprise assets. Increase in enterprise assets was associated with duration of program participation. Two-year clients were significantly more likely than incoming clients to have acquired two types of enterprise assets (minor tools and minor investments in marketing sites) in the last 12 months. When the responses of the one-year clients are pooled with the two-year clients, however, there is no significant difference.

**Figure 4F-12.**
Enterprise Assets

<table>
<thead>
<tr>
<th>Purchase or Invest</th>
<th>Percent One-year Clients n=33</th>
<th>Percent Two-year Clients n=30</th>
<th>Percent Incoming Clients n=31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small tools/accessories such as cooking utensils, hoes, plows, baskets, basins, barrels, canaries **</td>
<td>46</td>
<td>87</td>
<td>45</td>
</tr>
<tr>
<td>Major tools such as stoves, equipment, machinery</td>
<td>16</td>
<td>27</td>
<td>13</td>
</tr>
<tr>
<td>Own means of transportation such as bicycles, pushcarts</td>
<td>3</td>
<td>14</td>
<td>3</td>
</tr>
<tr>
<td>Invested in a storage structure such as a granary, stock room</td>
<td>3</td>
<td>20</td>
<td>19</td>
</tr>
<tr>
<td>Made a minor investment in their marketing site such as a chair, table, shed **</td>
<td>33</td>
<td>67</td>
<td>26</td>
</tr>
<tr>
<td>Invested in structures for their marketing site such as kiosk or shop</td>
<td>3</td>
<td>10</td>
<td>3</td>
</tr>
</tbody>
</table>

**Significant difference between two-year clients versus incoming clients (p<.05).
The same survey results in Figures 4F-11 and 4F-12 can be presented in a more collapsed manner as shown in Figure 4F-13. A new variable can be created for whether or not the respondent made any change in their enterprise activities over the last 12 months (responded affirmative to any of the specific areas mentioned in questions #21 and #22). Then, the number of specific changes can be summed and the means for each sample group compared. Figure 4F-13 shows that while the great majority of women in each survey group reported making at least one change in the last 12 months, current clients made a significantly greater mean number of positive changes than incoming clients.

**Figure 4F-13.** Changes in Enterprise Practices

<table>
<thead>
<tr>
<th></th>
<th>One-year Clients n=32</th>
<th>Two-year Clients n=31</th>
<th>Incoming Clients n=30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent making at least one change in their enterprise in the last 12 months</td>
<td>94</td>
<td>100</td>
<td>93</td>
</tr>
<tr>
<td>Mean number of changes made in the last 12 months</td>
<td>4</td>
<td>6.8</td>
<td>3.2*</td>
</tr>
</tbody>
</table>

*Significant difference between current clients (one-year and two-year clients) versus incoming clients (p<.05).

**Example 5. Changes at the Individual Level in Personal Savings and Entrepreneurial Skill**

Q: Does participation in the program lead to an increase in personal savings? Does it lead to improvements in entrepreneurial skills that might increase economic returns such as income and savings?

**Survey Section: Savings and Enterprise Skills (Impact Survey questions #23-25)**

Figure 4F-14, “Personal Cash Savings,” summarizes the savings-related results. The percentage of women by survey sample group reporting that they had personal savings is plotted first. Current clients were significantly more likely than incoming clients to have reported having personal cash savings for emergencies or for future large purchases or investments (p<.05). The difference in the percent reporting increased personal savings, however, was not significantly different. In both cases, chi-square statistical tests were used to compare the prevalence in the three survey groups, first through a comparison between
current and incoming clients and if no significant differences were found, by comparing the responses of two-year clients and incoming clients.

One question in the Impact Survey used to assess entrepreneurial skill was what factors they considered when deciding to undertake an enterprise activity. A common characterization of pre-entrepreneurial versus entrepreneurial behavior is that when starting a business, supply factors (what products or services they know how to provide or produce) are primarily considered, while the entrepreneur considers more fully demand factors (market demand and the likely profit or return). Figure 4F-15, “Entrepreneurial Skill Factors Considered When Selecting an Activity,” indicates that, while the level of one’s own knowledge and skills remains important, two-year clients were significantly more likely than incoming clients to consider demand or profitability factors when deciding what income-generating activity to undertake. This effect was not significant in a comparison between incoming and current clients. Again, chi-square statistical tests of prevalence were performed.
FIGURE 4F-15.
Entrepreneurial Skill Factors Considered
When Selecting an Activity

<table>
<thead>
<tr>
<th></th>
<th>One-year Clients n=33</th>
<th>Two-year Clients n=30</th>
<th>Incoming Clients n=31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work I am familiar with</td>
<td>73</td>
<td>67</td>
<td>71</td>
</tr>
<tr>
<td>Whether the product or service is in demand or</td>
<td>64</td>
<td>87</td>
<td>61**</td>
</tr>
<tr>
<td>whether it seems profitable</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Significant difference between two-year clients versus incoming clients (p<.05).

Example 6. Impact on Household Assets

Q: Does participation in the program lead to increases in household socioeconomic status and security in terms of the assets they own?

Survey Section: Household-Level Assets (survey question #27)
Survey respondents were asked to report on whether they owned any of 14 different consumer goods, including appliances, furniture, animals and means of transport. Overall scores based on their relative value were constructed for the consumer goods households owned and acquired over the last two years. (See Figure 4F-16, “Household Ownership of Consumer Goods.”) Items with an estimated value of less than $50 received a score of one. Items with an estimated value between $100 and $300 received a score of seven. Items worth $1,000 or more received a score of 71.

---

1 The list included items valued at less than $50 (radio/tape player, chair, macaroni machine, cooking pots [marmite], small animals), items valued between $100 and $300 (wardrobe, mattress and bed frame, bicycle, stove, television, large animals), and items valued at approximately $1,000 or greater (moped/motorcycle and car/truck). Values were estimated based on “high” and “low” market prices for each type of asset.

2 A score of seven was assigned because the average value for items in this group was approximately seven times the average value of the less-expensive assets. Similarly, the average value of items in the highest-value group was 71 times the average value of the least-expensive items.
No significant differences were found between current and incoming clients or between two-year and incoming clients for the score constructed for assets owned, indicating a comparable socioeconomic status of the three groups. In addition, no significant differences were found among the groups in the total score constructed for assets acquired in the last two years. Two-year clients, however, were significantly more likely than incoming clients to report owning a bed-frame and mattress (p=0.04) and a macaroni (pasta) machine (p=0.04). Program participation seemed to be more directly related to the latter item. Of the nine two-year clients owning a macaroni machine, eight had acquired it in the last two years and all since they had joined the program. Field agents explained that women value these machines (which cost approximately $40) both for their enterprises and for private use. Yet only eight of the 23 two-year clients had acquired their bed frames and mattresses since joining the program.

Example 7. Household Economic Security

Q: Does participation in the program improve household economic security? Are clients better able to withstand economic or seasonal shocks? Does program participation help to stabilize enterprise earnings?

Survey Section: Household-Level Welfare: Diet and Coping with Difficult Times (survey questions #31-#32)
Figure 4F-17, “Household Level: Periods of Hardship in the Last 12 Months,” summarizes the results of a series of questions meant to capture household economic security. Food insecurity is defined as a time during the last 12 months when, because of a lack of food or money to buy food, it was necessary for the household to eat less or eat less well. Chi-square statistical tests of the percentage reporting this type of “hungry season” showed a significant difference between current and incoming clients. ANOVA or t-test comparisons of the mean duration of the hungry season also demonstrated that as a group, current clients had a relatively shorter “hungry season” than incoming clients. When generating these mean values, all respondents were included and not just those who reported experiencing food insecurity. Women whose households had not experienced such a time were assigned a “0” for the length of the hungry season. It is important to include all respondents so that the true sample group means are compared. Similar analysis was done for the categorical variable “percent who were unable to conduct their business for a period due to a lack of money” and the interval variable “length of this disruption.” Again, current clients were significantly less likely to have been forced out of business and as a group the occurrence of such a time was significantly shorter than for incoming clients during the last 12 months.
Figure 4F-17.
Household Level:
Periods of Hardship in the Last 12 Months

<table>
<thead>
<tr>
<th></th>
<th>One-year Clients</th>
<th>Two-year Clients</th>
<th>Incoming Clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent experiencing period of acute food insecurity</td>
<td>12</td>
<td>10</td>
<td>29*</td>
</tr>
<tr>
<td>Length of acute food insecurity (in months)</td>
<td>.25</td>
<td>.39</td>
<td>1.2*</td>
</tr>
<tr>
<td>Percent unable to conduct a business because of a lack of money</td>
<td>21</td>
<td>10</td>
<td>45*</td>
</tr>
<tr>
<td>Length of enterprise disruption (in weeks)</td>
<td>.9</td>
<td>.5</td>
<td>3.2*</td>
</tr>
</tbody>
</table>

*Significant difference between current clients (one-year and two-year clients) versus incoming clients (p<.05).

Example 8. Client Satisfaction and Suggestions

Q: What are clients’ opinions about the program services? What features are they most and least pleased with? What recommendations do they have for improving the program and why would these changes be improvements?

Survey Section: Questions for One-year and Two-year Clients only (questions #35-#37)

Figures 4F-18 through 4F-20 give examples for how to present the client satisfaction questions in the Impact Survey. This descriptive information can be summarized as similar frequencies with or without statistical comparisons between groups. Current clients were asked to name three things they liked best about the program (question #35). Their responses can be summarized in a number of ways. For example, all the responses can be summarized as they are in Figure 4F-18, “Client Preferences.” Or clients’ “first choice” or first two choices could be summarized separately. In either case, it is likely that at least some clients will give answers that differ from the pre-coded responses. If so, these responses will need to be reviewed and either grouped with existing categories if their meaning is similar, or assigned their own discrete response category. Figure 4F-18 indicates that access to credit was the most favored program feature although the majority of clients also liked the non-
formal education learning sessions facilitated at the borrower groups’ weekly meetings. It is interesting to note that two-year clients mentioned liking the group solidarity even more often than either the credit or education services.

**Figure 4F-18 - Client Preferences**

<table>
<thead>
<tr>
<th>Summary of up to three aspects clients mentioned liking most about the program</th>
<th>Percent one-year clients n=33</th>
<th>Percent two-year clients n=30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit—steady source of working capital, lower interest rate, easier guarantee, or higher efficiency than other sources of credit</td>
<td>91</td>
<td>72</td>
</tr>
<tr>
<td>Health and nutrition or microenterprise development education</td>
<td>69</td>
<td>72</td>
</tr>
<tr>
<td>Group solidarity, group dynamics or confidence among women</td>
<td>59</td>
<td>76</td>
</tr>
<tr>
<td>Other financial services such as savings</td>
<td>22</td>
<td>21</td>
</tr>
<tr>
<td>Credit association management education sessions</td>
<td>3</td>
<td>14</td>
</tr>
<tr>
<td>Don't know</td>
<td>0</td>
<td>3</td>
</tr>
</tbody>
</table>

Similar analysis was done for Figure 4F-19, “Client Dissatisfaction.” Up to three aspects of the program current clients identified as “not liking” were summarized by client group. The majority of current clients included in the Mali impact survey said there was “nothing” that they disliked about the program. Of those who did express some dissatisfaction, most were dissatisfied with some aspect of the loan terms—interest rate, small loan size and length of the loan cycle.

**Figure 4F-19 - Client Dissatisfaction**

<table>
<thead>
<tr>
<th>Summary of up to three aspects clients liked least about the program</th>
<th>Percent one-year clients n=33</th>
<th>Percent two-year clients n=30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nothing or don't know</td>
<td>70</td>
<td>72</td>
</tr>
<tr>
<td>High interest rates or commission</td>
<td>21</td>
<td>10</td>
</tr>
<tr>
<td>Size of initial loan or subsequent loans</td>
<td>12</td>
<td>17</td>
</tr>
<tr>
<td>Length of loan cycle</td>
<td>6</td>
<td>17</td>
</tr>
<tr>
<td>Lack of grace period</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Meeting too often, too long or meeting absences requiring fee</td>
<td>0</td>
<td>14</td>
</tr>
<tr>
<td>Problematic group dynamics (with leaders or at meetings)</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>Repayment policies (frequency, amount)</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Guarantee policies</td>
<td>0</td>
<td>3</td>
</tr>
</tbody>
</table>
Figure 4F-20, “Client Suggestions for Improving the Program,” summarizes the responses to the open-ended question, “If you could change something about the program to make it even better, what would you change?” It was necessary to review and group the variety of client responses into common categories for greater clarity. The most common suggestions for specific changes clients would like to see in the program—longer loan cycle, increased loan size and reduced interest rates—were the same aspects with which clients indicated some dissatisfaction. Reflecting their longer experience with the program and possibly their increased empowerment and articulation, two-year clients were more likely than one-year clients to offer specific recommendations.

**Figure 4F-20**

Client Suggestions for Improving the Program

<table>
<thead>
<tr>
<th>If you could change something about the program to make it even better, what would you change?</th>
<th>Percent one-year clients n=33</th>
<th>Percent two-year clients n=30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nothing—no change, nothing to say, does not know, everything is good</td>
<td>64</td>
<td>46</td>
</tr>
<tr>
<td>Lengthen the 4-month loan cycle (to 5 months, 8 months, or 1 year)</td>
<td>15</td>
<td>27</td>
</tr>
<tr>
<td>Increase the size of the maximum loan</td>
<td>15</td>
<td>23</td>
</tr>
<tr>
<td>Reduce the interest on the loan</td>
<td>18</td>
<td>10</td>
</tr>
<tr>
<td>Shorten the 4-month loan cycle to 3 months</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Miscellaneous—have mill or macaroni machine with the group (1), high monthly repayment (1), frequency of assistance (1), survey (1), new innovations (1), increase or lengthen education [sessions] (1)</td>
<td>0</td>
<td>6</td>
</tr>
</tbody>
</table>
The following appendices provide useful information to complement the material in the chapter. Many of the documents were developed in the field and make the training and implementation of the field work in AIMS-SEEP types of evaluations much easier.

***They are located on the CD-Rom inside the folder “Manual – Chapter 4.”

<table>
<thead>
<tr>
<th>Appendix Number</th>
<th>Document Title Description</th>
<th>No. Pages</th>
<th>Filename</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>Interviewer Training for Impact Survey; 5-day training plan with exercises, sample problems, etc.</td>
<td>31</td>
<td>App. 4.1 - ImpactSurveyTraining</td>
</tr>
<tr>
<td>4.2</td>
<td>Impact Survey – AIMS-CASHPOR-PHILNET Project; CASHPO R version of Impact Survey used in ASHI IA in March-April 2000.</td>
<td>13</td>
<td>App. 4.2 - ASHI Impact Survey in Excel.xls</td>
</tr>
<tr>
<td>4.3</td>
<td>Steps for Adapting, Preparing to Use, Implementing, and Analyzing the Impact Survey; List of specific steps required for using the impact survey.</td>
<td>5</td>
<td>App. 4.4 - Prep Steps for the Impact Survey.doc</td>
</tr>
<tr>
<td>4.4</td>
<td>How to Create a Random Number Table in MS Excel; This is an easy way to create a random number table that you will need to draw a random sample of clients.</td>
<td>1</td>
<td>App. 4.4 - How to Create Random # Table.doc</td>
</tr>
<tr>
<td>4.5</td>
<td>Epi Info 2000 Analysis Guidelines for the Impact Survey; Step-by-step guide for using EPI Info 2000 to analyze the main survey.</td>
<td>30</td>
<td>App. 4.5 - EPI Analysis Guidelines for Impact Survey.doc</td>
</tr>
<tr>
<td>4.6</td>
<td>Basic Instructions for the Use of Epi Info 2000; Description of program, commands and functions, with examples for MFI impact assessments.</td>
<td>18</td>
<td>App. 4.6 - Basic Instr. for EPI 2000.doc</td>
</tr>
<tr>
<td>4.7</td>
<td>Basic Instructions for Interpreting the Analysis Results of Epi Info 2000</td>
<td>2</td>
<td>App. 4.7 - Basic Interpret. of Analysis Results of EPI.doc</td>
</tr>
<tr>
<td>4.8</td>
<td>Interpreting Statistics in Epi Info 2000; A more detailed version of App. 4.7 for those with a background in statistics.</td>
<td>5</td>
<td>App. 4.8 – Interpreting Statistics in EPI.doc</td>
</tr>
<tr>
<td>4.9</td>
<td>Old Appendix B – Basic Instructions for the Use of Epi Info 6 in DOS; This was Appendix B in the draft version of this manual (Jan. 2000). Those using the DOS version of EPI Info to process and analyze their data will find these instructions helpful.</td>
<td>12</td>
<td>App. 4.9 - Basic Instr. for EPI 6 in DOS.doc</td>
</tr>
</tbody>
</table>
Chapter 5

Tool 2: Client Exit Survey

5.1 Client Exit Survey Tool
5.2 Why the Client Exit Survey Tool was Developed
5.3 Preparing to Conduct the Client Exit Survey
5.4 Collecting Data
5.5 Coding Data
5.6 Analyzing Data
5.7 Training Staff to Use the Client Exit Survey Tool
The Client Exit Survey

Type of tool:
Quantitative

Overview:
The Client Exit Survey seeks information about why the client left the program, as well as the client’s opinion about the program and its impact.

Hypotheses tested by this tool:
None. This tool focuses on the client’s satisfaction and reasons for leaving the program.

Purpose:
The purpose of the Client Exit Survey is to find out and track the following information:
1. When the client left the program;
2. Why the client left the program;
3. What the client thinks about the program’s impact on her and her business;
4. What the client thinks about the program’s strengths and weaknesses; and
5. When (or if) the client will rejoin the program and/or recommend the program to friends and family.

Amount of time required to administer the tool:
20 minutes

Source:
Carter Garber compiled this tool under the auspices of the SEEP Network and the AIM S Project. The tool has been updated on the basis of field testing. It originally was adapted from Opportunity International’s “Trust Bank Client Exit Interviews.”
Chapter 5

### 5.1 Client Exit Survey

**Data quality revision:**
Form reviewed by field team leader (date and initials) ________________________
Data entered on computer by __________________ (name) on __________ (date)
Form reviewed by data cleaning team (date and initials) ______________________

**Fill in before meeting with ex-client:**

21. Client identification number __________________
22. Survey identification number ________________
23. Interviewer number ______
24. Date of interview _________________________

25. Name of Client __________________________

26. Address __________________________________

27. Type of borrower: Individual loan ______  Group loan ______  Other ______

28. Name of group (if any) ____________________

29. Sex (circle): M or F

30. Entry date: <___/___/___>  31. Exit date: <___/___/___>

32. Number of program loans taken ______  33. Size of last loan ____________

34. Was final loan repaid by borrower? (circle): Y or N

35. If NO, amount in arrears or default? ______________________________

36. Amount of savings withdrawn ______________________

37. Amount of withdrawn savings used to pay off the last loan? ______________

38. Loan officer (who last worked with client): __________________________

39. Circumstances of departure according to program MIS (Mark only one answer):

[ ] 1. Client voluntarily left group/program
[ ] 2. Loan group failed so client left
[ ] 3. Group/program expelled the client (because of inability to pay, loan default)
[ ] 4. Other

40. Type of business financed by last loan (Mark only one answer):

[ ] 1. Retail  [ ] 5. Animal raising
[ ] 2. Service  [ ] 6. Fishing
[ ] 3. Production/industry  [ ] 7. Other (specify): ____________
[ ] 4. Agriculture
(Read to Ex-Clients):

“We would like to find out a little about why you are leaving our loan program so we can consider future improvements. Please think of all the main reasons you decided to leave the program. We will combine your answers with those of others to understand why clients leave our program. Your answers will not be shared with anyone else. This will take only a few minutes. Thank you for helping us.”

1. Who primarily made the decision that you will no longer be participating in the program (or continuing as a member of this group)? (Do not read answers. Mark only one answer)

   [ ] 1. I made the decision. (go to question # 3)
   [ ] 2. Someone else in my family decided. Specify who ____________________
       Why? __________________________ (go to question # 3)
   [ ] 3. The group made the decision. (go to question # 2)
   [ ] 4. The program made the decision. (go to question # 3)

2. (If marked answer 3 in previous question) In your opinion, what factors led the group to decide to exclude your continued participation? (Do not read answers. Multiple responses possible.)

   [ ] 1. Repayment problems
   [ ] 2. Attendance problems
   [ ] 3. Difficulties with other members of the group
   [ ] 4. Other reason (specify): ________________________________

3. What are the main reasons that you are leaving or left the program? (See the following list of possible answers. Do not read answers. Multiple responses are possible)
A. Problems with program policies or procedures:

[___] 1. The loan amount is too small.
[___] 2. The loan length is too short.
[___] 3. I do not like the repayment schedule.
[___] 4. The loan became too expensive (such as interest, fees).
[___] 5. The disbursement of the loans is not efficient.
[___] 6. I was unwilling to borrow because of other conditions (such as obligatory savings, obligatory training).
[___] 7. I did not like the treatment by the staff or had personal conflicts with staff.

Who?________________________

[___] 8. I found a program with better terms.

Which one?________________________

Why is it better?________________________

B. Problems with group lending:

[___] 9. The group told me to leave.
[___] 10. The group disbanded.
[___] 11. I had personal conflicts with other members of the group.

Explain________________________

[___] 12. I was unhappy about group leadership.
[___] 13. I was unable or unwilling to attend all the group meetings (such as take too much time; have schedule conflicts)
[___] 14. I did not like the rules and/or the pressure established by group.

C. Client’s business reasons:

[___] 15. I have enough working capital now for my business.
[___] 16. My business is seasonal; I will borrow again when I need it.
[___] 17. I am graduating to a loan program that makes larger loans.

Which one?________________________

[___] 18. I am unable to repay the loans because of the weak condition of my business (for example, poor profits, low sales).
[___] 19. I decided to close the business and do something else (for example, get a job, start a new business).

Why?________________________

[___] 20. I sold the business.

D. Personal reasons:

[___] 21. I cannot continue because I spent the money on a crisis (such as illness, death) or a celebration (such as marriage) in my family.
[___] 22. My spouse (or other adult income earner) left me so I do not have the ability to continue the business.
[___] 23. I am pregnant or now have another person to care for (lack of time or ability to continue the business at the same level).
[___] 24. I am moving out of the area.
[___] 25. A family member told me to stop borrowing from the program.

E. Community and economic reasons:

[___] 26. My business was ruined by a disaster (such as robbery; fire; flood; hurricane).
[___] 27. A major new competitor moved into the area and many of my customers now buy from the competition.
[___] 28. Poor economic conditions have left my customers with less money with which to buy my goods or services.

F. Other reasons:

[___] 29. Other (specify):________________________

______________________________________

[___] 99. Don’t know
4. In thinking about all the reasons why you have said you left the program, which category best describes your **most important** reason? (Read the answers. **Mark only one answer.**)

[ ] 1. Program reasons—Client has problems related to the program requirements or policies (does not want to borrow again under present program terms; does not like treatment by program staff; needs loan but decided to borrow from competitive source of capital).

[ ] 2. Problems related to borrowing in a group (internal conflicts; does not like group pressure, frequency of meetings, or group leaders; was expelled; group failed).

[ ] 3. Does not need capital now (has enough capital now; seasonal business is not active now; has graduated to larger loans from another source).

[ ] 4. Business reasons—Related to economic activity for which client borrowed (was not profitable enough to continue borrowing; decided to sell or close business).

[ ] 5. External reasons—Problems beyond client’s control that are not related to either the loan program or business (for example, personal reasons such as illness or death in family, leaving area, pregnancy, lack of time, departure of spouse; or economic reasons such as destruction of business, new competitor, poor economic conditions affecting purchasing power of customers).

**The following questions are about your use of the loan:**

**5a. How did you spend your last loan? (Multiple responses possible. **Mark the 3 largest categories of expenditure. Do not read answers.)**

[ ] 1. Start a new business  [ ] 6. Improve/expand business site  
[ ] 2. Change type of business  [ ] 7. School fees  
[ ] 3. Buy more inputs/stock  [ ] 8. Medical/funeral expenses  
[ ] 5. Hire more workers  [ ] 10. Other (specify)__________________  
[ ] 99. Don’t know, or unwilling to answer

**5b. Did the loans help your family? If yes, how? (Do not read. Multiple responses possible)**

[ ] 1. More and better food  [ ] 6. Furniture, utensils, goods for your house  
[ ] 2. Educate children/self  [ ] 7. Recreation; leisure activities  
[ ] 3. Improve your housing  [ ] 8. Other (specify)__________________  
[ ] 4. Medical costs/improved health  [ ] 98. Loans did not help family  
[ ] 5. Clothing  [ ] 99. Don’t know

6. Which of the following best describes your experience in paying your last loan? (Read the answers. **Mark only one answer.**)

[ ] 1. Difficult to pay  [ ] 2. Within my capacity to pay  [ ] 3. Easy to pay  [ ] 99. Don’t know

7. During the last 12 months, did your income in the business...? (Read answers. **Mark only one answer.**)

[ ] 1. Increase greatly  [ ] 4. Decrease some  
[ ] 2. Increase some  [ ] 5. Decrease greatly  
[ ] 3. Stay the same  [ ] 99. Don’t know
8. Which answer best describes the impact for you of these program loans? (Read answers. Mark only one answer.)

[____] 1. Helped me quite a lot
[____] 2. Helped me a little
[____] 3. Didn’t help me at all
[____] 4. Loan was a burden
[____] 99. Don’t know

9a. (For group members only) Do you think you benefited from being a member of the group?

[____] Yes (go to #9b)  [____] No (go to #10)

9b. (For group members only) Please tell me the specific ways in which being in a group helped you. (Do not read answers. Multiple responses possible.)

[____] 1. Helped me to make my repayments
[____] 2. Provided advice and support when I needed help personally
[____] 3. Gave me business ideas and contacts
[____] 4. Offered me new friendships
[____] 5. Allowed me to develop my leadership skills
[____] 6. Gave me training and new information
[____] 7. Other

(specify):_________________________________

(Read to Ex-Clients):
“We are coming to the end of the survey. The next set of questions is about your opinion of the overall program.”

10. Which best describes your experience of participating in the program? (Read answers. Mark only one answer.)

[____] 1. Very good
[____] 2. Good
[____] 3. No Effect
[____] 4. Bad
[____] 5. Very Bad

11. Please name the two things you liked best about the program.

1. _______________________________  2. _______________________________

12. Please name the two things you liked least about the program.

1. _______________________________  2. _______________________________

13. What do you think should be done to improve the program for clients?
______________________________
______________________________
______________________________
Chapter 5

14a. Do you think that you would rejoin the program in the future? (Read answers.)

[__] 1. Yes  [__] 3. No (go to #15)  [__] 99. Don’t know
[__] 2. Probably  [__] 4. Only if specific changes are made (go to #14)

14b. Note the specific changes in the program that the ex-client desires before returning to the program.

_____________________________________________________________________________________
_____________________________________________________________________________________

15. Would you encourage a relative or friend to join this program the way it is now?

[__] 1. Yes  [__] 2. No  [__] 99. Don’t know

16. Any other comments?

_____________________________________________________________________________________
_____________________________________________________________________________________

(Read to Ex-Clients):
“Thank you so much for your time. We will use your answers to help us improve our program for other borrowers. Good luck.” END OF INTERVIEW WITH EX-CLIENT.

Observations by the loan officer about the ex-client and reasons for leaving:

17a. Does the information given above match with your understanding of the situation and the program records?

[__] 1. Yes (go to #17c.)  [__] 2. No (go to #17b.)

17b. (If no) Why not?

_____________________________________________________________________________________
_____________________________________________________________________________________
_____________________________________________________________________________________

17c. Was there any noticeable difference between this ex-client and other clients in his or her group?

[__] 1. Yes (go to #17d.)  [__] 2. No (go to #17e.)

17d. (If yes) What was the difference? (poorer, richer, more outgoing, more shy, and so on)

_____________________________________________________________________________________
_____________________________________________________________________________________

17e. Other comments:

_____________________________________________________________________________________
_____________________________________________________________________________________

Interviewer: If you need to shorten the survey, consider eliminating some of the following, which may be of lesser importance: questions # 4, 6, 8, 10, 11, 12, 16, and possibly the last few questions designed for the loan officer.
5.2 Why the Client Exit Survey Tool Was Developed

Many evaluations gather information only on clients and a non-client control group. This tool adds a third group—the program’s former clients. It is useful both for impact assessments and as a routine monitoring tool to give important feedback about the program to managers.

Clients who leave programs are commonly referred to as “deserters” or “drop-outs”; microfinance institutions (MFIs) are increasingly concerned about their “desertion rate.” This choice of words implies a negative judgment about ex-clients and does not consider the wide variety of factors that influence a person’s decision to withdraw from a credit program. A family emergency may have called the entrepreneur away from her business; the business may be seasonal requiring that he or she borrow only at certain times during the year; perhaps family medical bills are consuming business income, making a loan and its repayment temporarily too expensive or; maybe the family is leaving the area. Or, just maybe, the client has gained all she can from the program and needs different services, in which case it is more appropriate to think of her as graduate than a deserter.

This tool is neutral toward those who are leaving; we use it to find out why clients leave without any prejudice regarding their departure.

Tracking these reasons can be helpful to program managers. (See Figure 5-1, “Results of the Exit Interview in Mali.”) Knowing why clients leave can help managers decide how to change the program in order to improve services and/or remain competitive in a context in which more than one MFI is operating. For example:

- If managers learn that clients are dissatisfied with specific aspects of the program, they may be able to make changes that will keep clients from leaving.

- If clients are choosing a different credit program because they are attracted by its products or policies, managers may consider adapting or adding products and services that better meet the needs of those clients.

- If health crises cause many clients to withdraw from the program, managers may want to introduce some kind of emergency fund that offers protection to clients.
Learning from Clients: Assessment Tools for Microfinance Practitioners

Chapter 5

**Chapter 5**

### Learning from Clients: Tool 2

**Assessment Tools for Microfinance Practitioners**

Client Exit Survey

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Given its importance to management, the Client Exit Survey Tool can be instituted as a regular monitoring device to collect the information from ex-clients on a routine basis as they leave the program. It does not have to be used only during periodic impact evaluations. Because the interview is short, it is easy to collect, enter and analyze the survey data.

In sum, the Client Exit Survey offers the following advantages:

- It is simple to use, with pre-coded answers to facilitate analysis;
- It is appropriate for one-time or regular use;
- It helps management identify problems that cause clients to leave; and
- It provides valuable market information and insights to client satisfaction and behavior.

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**Select the Sample**

If the Client Exit Survey is used as a monitoring tool and applied on a regular basis, interviews should take place as close to the time of departure from the program as possible. If, on the other hand, this tool is applied as part of a periodic evaluation, it is important to select a sample of ex-clients to interview. Choose the sample from those who have left most recently; for example, after the last loan cycle.
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The sample of ex-clients can be constructed following the same steps used to select the sample of clients and non-clients for the Impact Survey. Use the same categories (for example, geographical, gender, enterprise type) that characterize the program and then identify specific areas in which the ex-clients will be chosen at random. Design the client sample to represent as many categories or types of clients as seems necessary. Keep in mind, however, that each additional breakdown of the clientele requires that a larger sample size be drawn to adequately represent all client types chosen. Thus, numerous categories are not recommended.

After the program-wide percentages of relevant characteristics have been determined, these should be applied to the geographic zones in which the sampling is to occur. For example, if the program has 85 percent female clients, the sampling within a geographic zone should try to reflect this percentage of female ex-clients. Again, the same system that was set up to sample the clients and the control group for the Impact Survey can be used on a smaller scale for ex-clients.

It is also possible to select the same geographic zones as those used for the main Impact Survey. Prepare a list of ex-clients in those zones, and select a random sample from this list. The resulting sample may not have exactly the same characteristics as the program as a whole. For example, in a program where more men leave than women, a random sampling of ex-clients may yield a sample with a larger percentage of men than is found among all program clients. In addition, some ex-clients will not be available for an interview (such as those who have moved out of the area or those who have died), and thus the universe from which the sample is drawn may be somewhat biased by this absence of certain respondents. These biases should be taken into account when interpreting the survey results. (See Figure 5-2, “Selecting the ODEF Sample in Honduras.”)

**Figure 5-2. Selecting the ODEF Sample in Honduras**

Because ODEF (Organizacion de Desarrollo Empresarial Femenino) offers two loan programs—village banks and individual loans—half of the interviewees were ex-clients of communal banks and half were ex-clients from the individual loan program. In the same communities where clients and non-clients were interviewed for the Impact Survey, a total of 23 ex-clients were randomly selected. Of those 23 interviewed, 9 were men and 14 were women. Of the 12 ex-clients of the communal banks, 5 were men and 7 were women. Of the 11 individual borrowers, 4 were men and 7 were women.

(Note: These samples sizes, used in a field test of the tools, would be too small for a full impact assessment.)
Each interviewer should be assigned at least twice the number of ex-clients than he or she needs to interview because he or she may need to work through a long list of potential respondents before finding enough people who are available and willing to be interviewed. Because they are no longer connected to the program, ex-clients may be less cooperative.

5.3 Preparing for the Client Exit Survey (P)

Step P1: Test the Tool

The activities described below are necessary steps to prepare for conducting the actual exit interviews. As such, they overlap significantly with the training one would plan for evaluators. (See Figure 5-3, “Time Needed for Preparation and Training.”) The one activity for which there is a dedicated training design is noted here, but described fully in the training section.

Step P2: Get to Know the Survey Tool

The Client Exit Survey interview comprises the following six sections. Study the questions in each section to determine what the questions are getting at and the general purpose of the section.

Section 1: Data to be completed on the form by the interviewer before going to visit the client.

Section 2: Questions 1-4 relate to the reasons for leaving the program.

Section 3: Questions 5-9 ask about how the client used the loan and its usefulness to him or her.

Section 4: Questions 10-13 seek to know the ex-client’s satisfaction with the program and how he or she thinks it could be improved.

Section 5: Questions 14-16 ask if the client would return to the program or recommend it to others.

### Figure 5-3.
Time Needed for Preparation and Training

<table>
<thead>
<tr>
<th>Activity</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sampling</td>
<td>1 hour</td>
</tr>
<tr>
<td>Using the tool</td>
<td>2 hours in the office</td>
</tr>
<tr>
<td>Data Input cleaning</td>
<td>2 hours for the pre-test</td>
</tr>
<tr>
<td>Data analysis</td>
<td>2 hours</td>
</tr>
<tr>
<td>Survey revision</td>
<td>2 hours</td>
</tr>
</tbody>
</table>

Learning from Clients: Assessment Tools for Microfinance Practitioners

Tool 2

Client Exit Survey
Section 6: Questions 17a-e are the observations of the loan promoter about the ex-client and his or her reasons for leaving.

**Step P3: Review the Survey Tool**

When you understand the basic structure of the survey and the intent of each question, review the survey questions make sure that they are appropriate for the cultural context in which your program operates. Some of the questions with multiple pre-coded answers may need to be changed to fit better with the reality of clients' businesses.

**Step P4: Practice the Interview**

(See Training Exercise #1 in “Training Exercises,” the last section in this chapter.)

**Step P5: Field Test the Interview**

Field testing the survey tool is good training and provides necessary preparation for the actual data collection. Some reasons to conduct a pre-test are:

- to identify language or wording problems in the survey that might cause confusion and to make revisions before conducting the “real” interviews;
- to know how long the interview takes in order to schedule a large number of them;
- to understand that the ex-clients are not as hostile as expected and are willing to provide the information asked of them during the interview; and
- to gain confidence in conducting the interview.

Arranging for the pre-test interviews requires someone in the organization to find and contact a group of ex-clients who are still in the area and are willing to be interviewed.

**Step P6: Check the Data and Revise the Tool**

Following the field test of the interview itself, it is important to test data entry and “clean” the data to identify potential problems before a large number of interviews are carried out. The way to do this is to enter the data collected during the field test into the computer. When this has been done, the data input team and the supervisory team must work together to address the problems they find.
At this point, check for the following:

- Consistency and accuracy between the information handwritten on the survey forms and the information entered into the computer;
- The adequacy of the survey’s pre-coded answers. If, during the field test, clients give answers to questions that do not fit any of the existing pre-coded answers, it may be necessary to revise the coding to accommodate these unexpected answers (see examples in Figure 5-4);
- Errors in filling out the survey form; and
- Potential confusion among interviewers about the meaning of any given question.

**Figure 5-4. Examples**

**1st Example:**
If almost all of the answers come up “99. Don’t Know,” the wording of the question is probably unclear to the ex-clients. Alternative wording should be tried or the question should be dropped.

**2nd Example:**
Question # 5a “How did you spend your last loan?” has pre-coded answers such as “start a new business, change type of business, buy more inputs/stock.” But clients give you answers such as “buy more soda and cigarettes.” The first response is for the interviewer to clarify what the client means. Does he or she mean that the loan helped buy more merchandise to expand sales, or is he or she indicating using the loans for personal consumption? Probe for clarity and code the answer appropriately on the survey form. If, after the pre-test, the interview team discovers that this type of answer is common, it will be necessary to decide if the pre-coded answers need to be changed to include a response indicating personal consumption.

**Step P7: Test the Statistical Package**

Field testing is also an opportunity for testing the statistical program the team will be using to analyze the data. Input about ten items to make sure (1) that the program is running the way the computer operators think that it should and (2) that it satisfies the evaluation supervisors who will be doing the data analysis.
5.4 Conducting the Interview

Interviewing ex-clients has the potential to be very sensitive since some of them may be dissatisfied with the program. Before starting the interview itself, follow these tips:

1. Do not pressure ex-clients to participate in the interview and stress that the information you collect will be confidential.

2. Make sure you get the ex-clients' permission for the twenty minutes you will need to complete the interview.

3. Interview ex-clients in a private situation, either at home or at the business, where other people are not listening to the interview. If the interview takes place in a public setting, the interviewee may change his or her answers according to what he or she thinks the audience and the interviewer would like to hear.

4. Stress that this is not a visit to try to collect previous debt, or to try to change the ex-client's opinion about the program. Express positive feelings about the ex-client as both an individual and an entrepreneur, even if he or she has left the program with an unpaid debt.

5. Ask questions simply and directly.

6. Do not show any emotional reaction to respondents' answers. This can be a problem for loan officers and other program staff who feel defensive when faced with negative comments about their program. It is very important to remain neutral to ex-clients' answers.

7. Use neutral prompts. The objective when prompting or probing is to clarify the respondent's answer.

8. Thank respondents for their time and reassure them that the results will be kept confidential.

9. Before leaving the area, give your survey forms to the team leader to check for completeness. Take time to fill in any blanks, returning to the respondent if necessary.
5.5 Coding Data

After the surveys are reviewed for accuracy and completeness, the next task for the team leaders and supervisors is to review all survey forms for the inevitable answers that are not included in the pre-coded lists. This activity should take place as soon after the interview as possible, preferably in the field. For each handwritten answer, supervisors will have to determine if its meaning is similar enough to one of the pre-coded items to be lumped in with that item. If it is not, a new code should be established for the particular answer and the code book updated. It is not uncommon to update the code book frequently during the process of coding.

During data coding, problems with the tool often are detected for the first time. The supervisor should note such problems in writing so that the survey can be revised to reflect this real experience and to avoid repeating the same problems in future applications of the tool. (See the example in Figure 5-5.)

<table>
<thead>
<tr>
<th>Figure 5-5. A Need to Update the Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>When applied in Honduras, the initial ex-client survey tool was pre-coded with mostly negative reasons for leaving the program on the assumption that clients leave dissatisfied. While inputting the data collected, however, the team learned the many positive reasons that ex-clients gave for leaving the program (for example, the client left because she had enough working capital for the time being but plans to re-enter the program when she needs more). The survey was revised with a more balanced set of reasons for leaving, and this approach has worked well in subsequent applications.</td>
</tr>
</tbody>
</table>

Finally, when all data from the exit interview has been entered into the computer, carefully check that what is written on the survey forms matches what has been entered into the computer.

5.6 Analyzing Data

Analyzing data from the survey is perhaps the most interesting part of the exercise. That this tool is quantitative makes it possible to attach numerical values to each question. How many answered in this way? What percentage of those interviewed had that experience? Potentially
complex questions can be translated into a set of numbers and percentages that are easy for
most people to understand.

5.6.1 Three Types of Questions; Two Types of Responses

The client exit interview includes the following three types of questions:

1. Questions for which the client can choose only one answer from an established, pre-coded
   list (single answer questions);
2. Questions for which clients can choose multiple answers from a pre-coded list (multiple
   response questions); and
3. Questions for which the answers are open-ended.

The EPI Info 2000 statistical software can be used to design a data entry screen that is
identical to the survey, with spaces to enter the pre-coded responses and/or additional codes
(numbers) that have been added to the code book.

Single-Answer Questions

The single-answer question, in which the interviewee must choose only one answer, is the
most common type of question on this survey. Question # 7 offers an example:

Example:
Q.7: During the last 12 months, did your income in the business...? (Read answers. Mark
only one answer.)

[___] 1. Increase greatly  
[___] 2. Increase some  
[___] 3. Stay the same  
[___] 4. Decrease some  
[___] 5. Decrease greatly  
[___] 99. Don't know

Those questions with only one answer choice are easier to analyze with a frequency
distribution to find out how many answers there were for each response. Cross-tabulations
with other variables such as gender, economic activity, number of loans, and cause for
leaving will provide more detailed and complex information as to how and why the ex-client’s
income changed. This analysis section includes numerous suggestions for how to cross-
tabulate to answer specific questions.
Multiple-Response Questions

A multiple-response question is slightly different from a single-response question because the number of answers may be greater than the number of respondents. Question #2 on the Client Exit Survey is an example of this type of question.

Example:
Q.2. In your opinion, what factors led the group to decide to exclude your continued participation? (Do not read answers. Multiple responses possible)

[___] 1. Repayment problems
[___] 2. Attendance problems
[___] 3. Difficulties with other members of the group
[___] 4. Other reason (specify): ___________________________________________

The respondent may originally have had repayment problems (answer 1) that then caused her to miss meetings intentionally out of embarrassment (answer 2), which then may have brought on group pressure and discord (answer 3). On the other hand, the person may simply have had problems showing up to meetings (answer 3), and subsequently been excluded by group rules.

Open-ended Questions

For open-ended questions, such as #11, #12, and #13, it will be necessary to develop coding to accommodate the responses and count how many ex-clients responded in a particular manner. Questions #16 and #17e are more difficult to code because they solicit additional comments, which are difficult to code. When developing a list of codes—assigning a number to each response or category of responses and putting them in a code book—it is important to group similar answers together. An analysis of the frequency of responses will be less meaningful if there are numerous responses that only vary slightly from one another.

Categorical and Numerical Responses

Most of the responses in the Client Exit Survey are categorical, with a number assigned to each response. In question #1 of the survey, the responses are pre-coded: 1=Repayment problems, 2=Attendance problems, etc. However, there are a few responses on the Exit Survey that are numerical, such as the size of the last loan, amount of savings withdrawn, or
the number of loans taken. In analysis, a frequency of the number of responses and cross tabulations with other variables are desired for the categorical response questions, while an average (means) is also used for the numerical responses. In other words, we want to find out how many interviewees had repayment problems, and can then compare this variable with gender to see if there is a difference between men’s and women’s tendency to have repayment problems. With a numerical variable such as the size of the last loan, we can use a frequency to determine the percentage of interviewees that had a last loan over a certain amount, but we can also determine the average amount of the last loan of all ex-clients—and also compare the averages between men and women or other subgroups.

### 5.6.2 Analysis Guidelines

As mentioned in the previous paragraph, simple data analysis involves three basic procedures: frequency tabulations, cross-tabulations and means tests.

#### Frequency Tabulations

Frequency tabulations simply count how many responses are in each pre-coded answer category and address the question: How frequently does a particular answer occur? For example, how many ex-clients had 1, 2, 3 or 4 loans before leaving the program? (See Figure 5-6.)

One of the principal objectives of the Client Exit Survey is to determine why clients leave the program. (See Figure 5-7, “Major Reasons for Leaving the Program: Data from ODEF in Honduras.”) Frequency distributions on questions #3 and #4 will begin to answer this question.

#### Cross-tabulations

Cross-tabulations enable team members to break out responses to one question by the categories of another question.

**Example:**

Q.1: Who made the decision that you will no longer participate in the program?
Chapter 5

A frequency distribution of this question tells how many respondents fall in each of the pre-established answer categories. But what if your team wants to know if any differences exist between men and women regarding the decision to leave the program? Cross-tabulating “time in program” by gender will help answer this question.

The first thing to determine is the characteristics of survey respondents by running frequencies on the key descriptive variables. Create a demographic and business profile of the client sample. How many are women and how many are men? What types of businesses do they have? How long were they in the program? How many loans did they take? This information is found on the first page of the Exit Survey.

Let’s look at this last question as an example. “How many loans did ex-clients take before leaving the program?” Figure 5-6, “Frequency of Number of Loans,” shows how most statistical software packages like EPI Info would respond to a query asking for the frequency of ‘number of loans’. In this example, the computer generates a column of values (in this case the number of loans before leaving the program), a column of the number of people responding with that value, a column with the percentage of the respondents giving that answer, and finally, a column of the accumulated percentage.

<table>
<thead>
<tr>
<th>No. of Loans Before Leaving</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Accumulated %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 loan</td>
<td>13</td>
<td>56.5%</td>
<td>56.5%</td>
</tr>
<tr>
<td>2 loans</td>
<td>4</td>
<td>17.4%</td>
<td>73.9%</td>
</tr>
<tr>
<td>3 loans</td>
<td>4</td>
<td>17.4%</td>
<td>91.3%</td>
</tr>
<tr>
<td>4 loans</td>
<td>2</td>
<td>8.7%</td>
<td>100%</td>
</tr>
<tr>
<td>Totals</td>
<td>23</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

What does this frequency distribution tell you?

Answer: The majority of ex-clients sampled left during their first year of borrowing.
The majority (56.5 percent) of the clients left after one loan. An additional 17.4 percent left after the second loan, and again, after the third loan. Only 8.7 percent (2 of the 23) left after four loans. No borrowers in the random sample left after 5 or more loans.

The Means command will tell you that, on average, clients took 1.8 loans before leaving the program. Similarly, the Means command can be used with other numerical responses to determine such things as the average amount of last loan taken by the ex-clients, or the average amount of savings withdrawn.

The pattern of early exits that this data shows suggests implications for management that should be included in the analysis, such as:

“This program is losing clients early in their participation, after just a few loans, precisely when the transaction costs of acquiring and orienting a client are highest.”

Then, look closely at later questions in the survey to figure out how this expensive trend could be reversed. Frequency analysis is limited to telling how many people responded in a certain way. But to learn more about who responded, cross-tabulations are needed. Creating a table that crosses the number of loans in the program with clients’ gender enables the team find out if gender affects when the client leaves the program.

<table>
<thead>
<tr>
<th>Number of loans</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 loan</td>
<td>7</td>
<td>6</td>
<td>13</td>
</tr>
<tr>
<td>2 loans</td>
<td>2</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>3 loans</td>
<td>0</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>4 loans</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>9</td>
<td>14</td>
<td>23</td>
</tr>
</tbody>
</table>

This chart indicates that all of the men left in the first two loan cycles. In contrast, 43 percent of the women interviewed stayed in the program longer than all of the male ex-clients.

This type of analysis leads to another question: Are the men leaving for different reasons than the women? To answer this question, cross-tabulate sex with why they report leaving. Using the same sample data, the results are as follows:
### Chapter 5

### Learning from Clients: 
#### 5-23 Tool 2 
**Assessment Tools for Microfinance Practitioners**

**Client Exit Survey**

<table>
<thead>
<tr>
<th>Why Left</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voluntarily left</td>
<td>9</td>
<td>11</td>
<td>20</td>
</tr>
<tr>
<td>Borrower Group Collapsed</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Borrower asked to leave</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>TOTAL</td>
<td>9</td>
<td>14</td>
<td>23</td>
</tr>
</tbody>
</table>

While there are some minimal differences by gender, because of women’s greater participation in group lending, it can be determined that the majority of both men and women left the program voluntarily.

To help your team think about the analysis to perform on this survey data, sample questions and suggested cross-tabulations are provided below for each of the sections of the Exit Interview. More detailed instructions in the use of EPI Info 2000 can be found in the Chapter 4 Appendices on the CD.

**Figure 5-7.**
**Major Reasons for Leaving the Program:**
**Data from ODEF in Honduras**

1. 17.4% left because of problems with the policies or requirements of the program.
2. 21% left because of problems related with the economic activity of their business.
3. 47.8% left because of external factors; reasons unrelated to the program or the business.
4. 13% left because of problems with their lending group.

What other factors might influence the reason clients leave a program? Do gender or type of business affect the reasons for leaving? Cross-tabulating each of these variables with question #4 will help answer this.

Question #6 asks about the client’s ability to repay the loan. The answers will tell whether loan repayment was a reason for leaving. But, if the majority of respondents report leaving voluntarily, as in the example above from Honduras, then loan repayment should not emerge as a problem. Other ways to analyze this question are suggested in Figure 5-8, “Question #6: Analyzing a Client’s Ability to Repay a Loan.”
FIGURE 5-8. - Question #6: Analyzing a Client’s Ability to Repay a Loan

<table>
<thead>
<tr>
<th>To determine:</th>
<th>Cross-tabulate with:</th>
</tr>
</thead>
<tbody>
<tr>
<td>If this information seems accurate</td>
<td>Information from the program about whether the client left with a debt or having paid everything</td>
</tr>
<tr>
<td>If loan size influenced how difficult it was to pay</td>
<td>Size of last loan or number of loans in the program (assuming that loan size increases over time)</td>
</tr>
<tr>
<td>If economic activity affected difficulty</td>
<td>Business sector of client</td>
</tr>
<tr>
<td>If gender affected repayment</td>
<td>Sex of client</td>
</tr>
<tr>
<td>If individual loans or group loans seemed to be harder to repay</td>
<td>Type of lending methodology of those having difficulty repaying</td>
</tr>
</tbody>
</table>

Impact of Loan

Several questions target the possible impact of the program during the time that the client was participating. Question #7 asks about changes in income since borrowing from the program. To find out more about who answers in which way, cross-tabulate this question with other client characteristics as indicated in Figure 5-9, “Question #7: Income Changes.”

FIGURE 5-9. Question #7: Income Changes

<table>
<thead>
<tr>
<th>To determine:</th>
<th>Cross-tabulate with:</th>
</tr>
</thead>
<tbody>
<tr>
<td>If those who perceived an increase in income were more from one lending methodology</td>
<td>Respondents of each lending methodology</td>
</tr>
<tr>
<td>If income changes are different for men and women</td>
<td>Sex of client</td>
</tr>
<tr>
<td>If income change is associated with type of business</td>
<td>Business sector of client</td>
</tr>
</tbody>
</table>
Question #8 asks clients to characterize the usefulness of the loan for their business. This question can be cross-tabulated in the same way to find out how different groups or types of clients respond to the question. Is there one type for whom the loans were very helpful? Who thought that the loans were of no help? Are there any patterns here?

**Opinions About the Program**

Because questions #11, #12, and #13 are open-ended and have no pre-coded responses, it is prudent to list and group the answers. If any respondents leave any of these questions blank, it is necessary to adjust the total number of respondents when reporting the answer. For example, if only 15 of 23 total provide an answer, 15 becomes your new total for reporting on that question.

Questions #14 and #15 seek to learn whether the ex-client would return to the program and whether he or she would recommend the program to a family member or friend. Again, list the results and determine which types of individuals were responding positively to those questions by carrying out cross-tabulations such as those suggested in Figure 5-10, “Questions #14 and #15, Who Would Return to the Program?”

<table>
<thead>
<tr>
<th>To determine:</th>
<th>Cross-tabulate with:</th>
</tr>
</thead>
<tbody>
<tr>
<td>If those who would return were more from one lending methodology</td>
<td>Respondents of each lending methodology</td>
</tr>
<tr>
<td>If men answer differently than women</td>
<td>Sex of client</td>
</tr>
<tr>
<td>If longevity affects desire to return</td>
<td>Number (and thus size) of loans</td>
</tr>
<tr>
<td>If positive responses are clustered by business type</td>
<td>Business sector of client</td>
</tr>
</tbody>
</table>

**Figure 5-10.**

*Questions #14 and #15: Who Would Return to the Program?*
5.7 Training Staff To Use the Client Exit Survey Tool

To plan a training event for the team that will be conducting the Client Exit Survey, review the section of this chapter titled, “Preparing to Conduct the Client Exit Survey.” Many of the preparatory steps outlined in this earlier section should be done as part of the interviewers’ training. For example, the field testing of the survey also serves to train the staff for the “real” interview. This section offers a training exercise to help practice the interview before taking it into the field.

Training Exercise #1: Practicing the Interview

In this exercise, participants role play the interview itself in groups of three. One person plays the role of interviewer, the second plays the ex-client being interviewed, and the third acts as the observer. If working with several groups of three, give each group a different “reason” for leaving the program to facilitate their role. (See the list of possible reasons in Figure 5-11, “Reasons for Leaving the Program.”)

During the interview, the observer should take the following action:

- Look for problems with the way questions are worded;
- Note problems the ex-client has in answering the questions; and
- Suggest improvements.

After completing the interview role play, the three people rotate their roles so that the interviewer becomes the observer, the ex-client becomes the interviewer, and the observer becomes the ex-client. This rotation of roles continues until all three people have had the opportunity to play all three roles.

**Figure 5-11. Reasons for Leaving the Program**

Sometimes the ex-clients have trouble coming up with the reasons for leaving the program. Some reasons include the following:

1. The interest rate is too high.
2. Village bank meetings are too frequent.
3. Competition from a new, larger business in the neighborhood has put me out of business.
4. Steep increases in wholesale prices have eaten up my profit.
5. I had to spend my working capital on medical care for my sick child.
6. My business is seasonal, so I don’t need a loan now.
7. I was kicked out of my communal bank.
8. I left when the communal bank broke up over internal struggles.
After participants have rotated through all three roles, ask each group to discuss their experiences and compose a list of lessons learned. Bring the groups back together to share their observations and lessons with the entire group.

**Scheduling of the Exit Survey Tool**

Using the Exit Survey Tool involves tasks in three phases: (1) Preparation, including sample selection and knowing & testing the tool, (2) Data collection, and (3) Analysis, which includes data processing, statistical analysis, and writing the report. Guidelines for approximating the time required for each phase are offered below. In the following example, the institution selected loan clients who recently left the program. They chose to interview a minimum of 50 individual ex-clients. Due to the difficulty of finding ex-clients, it is recommended that twice as many are selected in the sampling frame than need to be interviewed. To find the names of the 100 clients, it was necessary to select those who had left in the last four months, as the institution is losing about 50 clients per month. Of this list of 200, 100 were selected randomly. Alternatively, one could select 100% of those who left in the last two months but this would not include a long enough span of time to account for possible seasonal differences in the microenterprises of the clients.

This institution used five students from a local university for two interviewing days each. Each student completed an average of 6 interviews per day. Interviews take only 20 minutes each, so the total interviewing time for 6 per day is only two hours. However, with ex-clients there is need to use the other hours for travel time, time to find the ex-clients, time to replace those who are not available, and time to review the quality of the completed surveys. Thus, each student started the day with a list of 12 ex-clients in order to obtain 6 interviews per day. Due to the fact that it is quantitative, university students or promoters with a secondary education may be assigned this interviewing.

The following process takes two weeks. However, if one chose to interview as the clients left the institution, it would take longer to collect the 50 interviews but the interviewer’s time would be reduced since the ex-clients would not have to be tracked down.
## Preparation Phase

<table>
<thead>
<tr>
<th>Tasks</th>
<th>Time</th>
<th>Personnel for each step &amp; Observations</th>
</tr>
</thead>
<tbody>
<tr>
<td>The management wants to know the different reasons why the clients left the program and also decides the objectives of this research. Review the questions for accomplishing these objectives. Decide on which types of clients who left the program will be interviewed (from one loan product only? From a particular sector? From an area with high attrition?) An emphasis is placed on those who have left recently.</td>
<td>.5 day</td>
<td>Management and the coordinator of the interviewing team (possibly a director of a branch office or a consultant if the organization chooses to use one) A computer technician will be needed once the criteria are decided. This person will generate a complete list of the ex-clients. Then a random sample can be taken. Then the technician makes a new list of the 100, from which a minimum of 50 will be interviewed.</td>
</tr>
<tr>
<td>Train the interviewers in the office.</td>
<td>1.0 day</td>
<td>Trainer &amp; 5 student interviewers. Experienced interviewers can be trained in half a day. (See training exercises for this tool on the CD.)</td>
</tr>
<tr>
<td>Field test the tool in the morning and then debrief in the afternoon and change the language as needed.</td>
<td>1.0 day</td>
<td>Trainer observes while each of 5 student interviewers do two interviews in the morning. Will indicate changes that need to be made in the questions and how long each interview takes. Will give the interviewers practice and confidence.</td>
</tr>
<tr>
<td>Take the sample list of 100 and fill in Interviewee Data Forms for each ex-client.</td>
<td>0.75 day</td>
<td>Trainer &amp; interviewers. Alternatively, this could be done by the staff or a consultant while the interviewers are being trained. If each person fills in three forms per hour, then it would take the 6 about 5.5 hours to complete the 100 forms.</td>
</tr>
<tr>
<td>Schedule the interviews with ex-clients and plan for logistical needs (e.g., transport; photocopying; etc.)</td>
<td>1 day</td>
<td>Could be the 5 interviewers or could be done by the normal loan supervisors and promoters with oversight from the trainer/supervisor. It could be done a couple hours a day over four days.</td>
</tr>
</tbody>
</table>

## Data Collection

<table>
<thead>
<tr>
<th>Tasks</th>
<th>Time</th>
<th>Personnel for each step &amp; Observations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interview clients. Must plan for time for travel, write-up and review. Interviewer should take time to review notes and write in additional information after each interview.</td>
<td>2 days to do at least 50 interviews.</td>
<td>5 interviewers and one quality control in field or office (could be the same trainer/supervisor). 5 students doing 6 surveys per day during two days will yield about 60 surveys, which exceeds the pre-established minimum of 50.</td>
</tr>
</tbody>
</table>
### Chapter 5

**Learning from Clients:**

5-29 Tool 2

**Assessment Tools for Microfinance Practitioners**

Client Exit Survey

<table>
<thead>
<tr>
<th>Tasks</th>
<th>Time</th>
<th>Personnel for each step &amp; Observations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Analysis</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Process the data in statistical program like EPI Info 2000.</td>
<td>1.5 days</td>
<td>One person for quality control and coding, and another with computer skills to input into computer program. It will take 3-4 hours to set up the data entry screen, and then 8-9 hours to enter 60 surveys.</td>
</tr>
<tr>
<td>Analyze in Epi Info, create frequencies and cross-tabulations. Analysis of each question &amp; what combinations of answers reveal. Analyze data for patterns and trends</td>
<td>2 days</td>
<td>At least 2 persons. Could be supervisor/consultant with the computer technician. Could involve one of the interviewers. The frequency tables reflect the frequency of a particular answer, the percentage and the accumulated percentage.</td>
</tr>
<tr>
<td>Write report</td>
<td>1.5 day</td>
<td>One to 2 persons (supervisor involved in previous step plus another person assisting with final analysis and preparation of the charts and graphs to explain the findings).</td>
</tr>
<tr>
<td><strong>TOTAL DAYS</strong></td>
<td>11 days</td>
<td>This total is an estimate based on #s in example. To calculate the person-days, one would need to look at the persons involved in each step and how many days are required for each person.</td>
</tr>
<tr>
<td></td>
<td>or 2 weeks</td>
<td></td>
</tr>
</tbody>
</table>
Chapter 5

APPENDICES

CHAPTER 5

The following appendix provides useful information to complement the material in the chapter. Many documents were developed in the field and make the implementation of the field work in AIMS-SEEP types of evaluations much easier.

***This appendix is located on the CD-Rom inside the folder “Manual - Chapter 5.”

<table>
<thead>
<tr>
<th>Appendix N number</th>
<th>Document Title Description</th>
<th>No. Pages</th>
<th>Filename</th>
</tr>
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<tr>
<td>5.1</td>
<td>ASHI Exit Survey (ASHI IA 2000)</td>
<td>10</td>
<td>App. 5.1 - Exit Survey from ASHI.</td>
</tr>
<tr>
<td>5.2</td>
<td>Practical Exercises for Statistical Analysis in Epi Info 2000 using ASHI Exit Survey data</td>
<td>21</td>
<td>App. 5.2 - Analysis Exercises using ASHI Exit data.</td>
</tr>
<tr>
<td>5.3</td>
<td>Epi Info Commands for Analysis of the Exit Survey</td>
<td>7</td>
<td>App. 5.3 - EPI Commands for Analysis of Exit Survey.</td>
</tr>
<tr>
<td>5.4</td>
<td>Exit.REC File from the ASHI IA 2000: Data file in EPI Info 6 format that can be imported into EPI Info 2000 and used with Appendix 5.2 to practice steps for statistical analysis.</td>
<td>data</td>
<td>App. 5.4 - Exit.REC</td>
</tr>
<tr>
<td>5.5</td>
<td>Exit.qes File from the ASHI IA 2000: Shows formatting and variable names of ASHI Exit Survey— also for use with exercises in Appendix 5.2.</td>
<td>2</td>
<td>App. 5.5 - Exit.QES</td>
</tr>
</tbody>
</table>
Chapter 6

Tool 3: Use of Loans, Profits and Savings Over Time

6.1 Why the Use of Loans, Profits and Savings Over Time Tool was Developed
6.2 Use of Loans, Profits and Savings Over Time Tool in Two Parts: Question by Question
6.3 Sampling
6.4 Preparing for the Interview: Step by Step
6.5 Interviewing Clients
6.6 Analyzing the Data
6.7 Scheduling
6.8 Guide to Appendices
Use of Loans, Profits and Savings Over Time

Type of tool: Qualitative

Overview:
The “Use of Loans, Profits and Savings Over Time” tool is composed of two distinct modules— one on loan use and the other on savings. These two modules can be used together or singularly. In both cases, individual interviews are used to find out how mature clients have used their loans, profits and savings over time.

Hypotheses tested by this tool:
At the household level:
- Increased income
- Increased assets
- Increased welfare (in such aspects as food security, housing, and health)

At the individual level:
- Increased control over economic resources on the part of women clients
- Increased role in decision-making primarily among women clients

At the enterprise level:
- Increased income
- Increased assets
- Increased ability to survive periods of reduced cash flow
- Diversification of enterprise activity

Purpose:
The purpose of the Use of Loans, Profits and Savings Over Time tool is to:
- Document loan use over time;
- Understand the evolution of the business;
- Illuminate client decision-making about the use of loan funds, profits and savings, and how it changes over time;
- Identify the perceived outcomes of these decisions about resource allocation; and
- Explore the relationship between the client’s household and her enterprise.
Chapter 6

**Amount of time required to administer the tool:** 60 to 90 minutes (1 to 1-1/2 hours)

**Source:**
Original version: Nancy Horn
Revisions: Members of the AIMS-SEEP team and other practitioners.
“Use of Loans, Profits and Savings Over Time” Interview Guide

(Use one form for each loan and reproduce it in a format that provides ample space to write answers.)

Client ID Code: __________ Loan #: ___________________ Loan Amount: __________
Date Received: __________ Repayment Period (loan terms): __________

1. What did you do with your loan money?

2. Why did you use the loan money in these ways?

3. Who decided to use the loan in these ways?

4. What changes took place as a result of spending your loan money in these ways?

5. After fully paying your loan and paying all business expenses, did you have a surplus? If so, how much was it?

6. If there was a surplus, what did you do with it?

7. What would you have done if you had not taken this loan?

8. Have you experienced a crisis during this loan cycle? If yes, did you use your loan to help cope with the crisis? How?
**“USE OF LOANS AND PROFITS OVER TIME” RECORDING MATRIX**

Client Name or ID Code: ______________________
Geographical Area: ____________________________
Branch: ______________________ Lending Group: ______________________
Date: ___________ Time: ___________ Interviewed By: ______________________
Interview Number______

<table>
<thead>
<tr>
<th>QUESTIONS</th>
<th>Loan 1</th>
<th>Intermediate Loan #___</th>
<th>Last Loan #___</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>Date Received</td>
<td>Amount</td>
</tr>
<tr>
<td></td>
<td>_______</td>
<td>__________</td>
<td>_______</td>
</tr>
<tr>
<td></td>
<td>Date Received</td>
<td>__________</td>
<td>Date Received</td>
</tr>
<tr>
<td></td>
<td>_______</td>
<td>_______</td>
<td>_______</td>
</tr>
<tr>
<td></td>
<td>Length (term)</td>
<td>__________</td>
<td>Length (term)</td>
</tr>
<tr>
<td></td>
<td>_______</td>
<td>_______</td>
<td>_______</td>
</tr>
</tbody>
</table>

1. What did you do with your loan money?
   a. 
   b. 
   c. 

2. Why did you use this loan money in these ways?
   a. 
   b. 
   c.
<table>
<thead>
<tr>
<th>QUESTIONS</th>
<th>Loan 1</th>
<th>Intermediate Loan #___</th>
<th>Last Loan #___</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>Date Received</td>
<td>Date Received</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Length (term)</td>
<td>Date Received</td>
</tr>
<tr>
<td>3. Who decided to use this loan in these ways?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. What changes took place as a result of spending your loan money in these ways?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. After fully paying this loan and paying all business expenses, did you have a surplus? If so, how much was it?</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### QUESTIONS

<table>
<thead>
<tr>
<th>Questions</th>
<th>Loan 1</th>
<th>Intermediate Loan #___</th>
<th>Last Loan #___</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. If you had a surplus, what did you do with it?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. What would you have done if you had not taken this loan?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Did you experience a crisis during this loan cycle?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>If so, did you use your loan to help cope with the crisis? How? How did</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>the crisis affect your ability to make loan payments?</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
6.1 Why the "Use of Loans, Profits and Savings Over Time" Tool Was Developed

The "Use of Loans, Profits and Savings Over Time" tool will help you learn how microentrepreneurs use financial resources to carry out their economic strategies for their business and their household. Most microcredit programs intend to provide loans for business and productive purposes, and in an ideal world, microentrepreneurs use these loans to build their business and their income one step at a time. But in the real world, cash is fungible, and clients often use at least part of their loan for other reasons—business and/or personal. Maybe school fees are due just at the time the client receives the loan. Maybe a part of the loan actually gets invested in a different household enterprise, other than the one for which it was requested. Maybe another family member has the power to demand loan monies for other uses. Maybe a client keeps a portion of the loan at home for emergencies. How a client uses his or her loan will affect the outcomes or impact that it can have.

Similarly, programs that emphasize savings will want to learn how savings influence resource allocations within the household, how they affect loan use and how they support the business or protect its assets. Knowing how clients use the resources they have available—including loans and savings—will help determine whether a program's loan product is meeting their actual needs. Understanding clients' needs is key to tailoring services, managing risk and maximizing impact. (See examples in Figure 6-1.)

In addition, knowing how a client invests his or her loan will help program staff to understand a business evolves over time. Is the business growing? Or is the client choosing to diversify his or her economic activities? If the business has declined, what are the causes? Does the client use his or her loan capital to support several businesses? Does this vary? Depending upon what factors? The Use of Loans, Profits and Savings Over Time tool is “dynamic” in tracking change across months and years, as opposed to describing the state of the business at one point in time, as the Impact Survey does. As such, the two tools (the Use of Loans, Profits and Savings Over Time tool and the Impact Survey) complement each other well.
The following factors can influence loan use:

- The socioeconomic status of the client;
- Whether other income earners within the household contribute to the sustenance of the household;
- The number of household family members and their ages;
- The health of the household members;
- The type and seasonality of the business;
- The locus of decision-making about loan use;
- The amount of the loan; and
- The actual term of the loan.

**Figure 6-1.**
Factors that Influence Loan Use

1st Example:
In Bolivia, clients reported that they borrowed less in one cycle because of a crisis in the family that required some of their money. Because these clients knew they would not be investing the loan in their businesses, they borrowed less to ensure that they could make loan repayments from their current earnings.

2nd Example:
In Mali, the seasonality of agricultural production greatly influences clients' loan history. During the long dry season, borrowing tends to increase and enterprise activities flourish. But during the rainy season, women's responsibilities in the fields often lead them to suspend their participation in the credit program.

3rd Example:
In the Honduras test, village bank clients increased profits (between 15 and 50 percent) only after the second loan. The first loan was used to pay off former debt, meet educational expenses of the household, and, in general, lay the foundation for business investment in the future.

**6.2 Use of Loans, Profits and Savings Over Time Tool**

In Two Parts: Question by Question

The “Use of Loans, Profits and Savings Over Time” tool described in this section includes two modules—one on loan use and one on savings. They are presented separately because not all microfinance programs offer savings. Yet the opportunity for clients to save is very important to clients and can influence loan use and investment decisions. For programs interested in exploring this aspect of their clients’ financial decisions, the questions on savings mirror...
those on loan use. If both parts of the tool are to be used, it is most efficient to combine them in one interview.

The tool includes:

1. A one-on-one qualitative interview guide in two parts (Loan Use and Savings)
2. A set of tables to help the interviewer glean information for analysis (Loan Analysis Tables).

Do not attempt to ask the client about each of her loans. Clients generally will not remember the relevant details you want to know for every loan, and it would take too much time to review all of them. To select the loans to focus on during the interview you can:

- Start with the very first loan (clients will remember it); then ask about the last loan.
- Ask the client to think of another important loan they had midway between the first and last. Or, establish an interval (such as every other, or the odd-numbered loans—3rd, 5th, 7th) for the “middle” loans.
- Alternatively, ask about the first two loans and the last two.

With either strategy, do not try to ask about more than four loans total.
6.2.1 PART 1: Eight Questions on Loan Use

Each of these eight questions is a key question. Each has a specific purpose, which is explained below. But to really fulfill the purpose of each question, the interviewer must explore clients’ answers further by probing for more detail. Knowing the purpose of each question helps with thinking about the type of probing questions to ask during the interview and note ahead of time on the Interview Form.

Q.1: What did you do with your loan money?

When asking this question, you should identify all the different ways the loan was used, including the following:

- Investing in the primary business listed on the loan application form;
- Investing in any other business the client or another family member owns;
- Spending on family expenses;
- Savings; and
- Paying off moneylenders and other debtors.

If the client invested his or her loan in multiple businesses, try to find out how much he or she invested in each one and for what. Get as much detail on amounts spent as the client can remember.

Q.2: Why did you use this loan money in these ways?

The intent of this question is to determine how the client decided to use the loan. For each expenditure or different use of loan money, ask the client why he or she spent the money as he or she did (for example, on increased stocks for the business, or on capital equipment). If the client spent all or a portion of the loan on non-business items, ask why. This line of questioning should provide a clearer picture of the constraints to investing in the business and to meeting other expenses, as well as how a client decides on a specific business investment.

Q.3: Who decided to use this loan in these ways?
Chapter 6

This question is important for microfinance programs that serve women and seek to help women gain more control over their financial resources. Who decides about the use of a loan has a direct bearing on how the loan is spent, how any profits are used, and ultimately, its impact. If loans are given to women but spent by their male relatives (such as husbands, fathers, or brothers), the desired impact on women may be compromised. Who actually controls the loan has risk implications for the program as well; as loan sizes increase, managers may want to adjust lending practices to find out more about how the money is invested and by whom.

Q.4: What changes took place as a result of spending your loan money as you did?

This question seeks information on results. Were you able to increase production? What happened to sales? Did you employ additional workers? Did you start up a new business? Note that the question is left open—it does not specifically ask about changes “in your business”—in case the client has spent the loan money on something other than his or her business.

Q.5: After fully paying your loan and paying all business expenses, did you have a surplus? If so, how much was it? (If no, go to Q.7)

This question seeks to link the initial investment with profits earned. It is important for the client to understand that you are interested in her estimation of profit after all business expenses. Prompt the client, as necessary, to remember all of his or her various business expenses before estimating the profit. The other challenging aspect of this question is to find the appropriate time period for reporting profits. Most clients will find it easiest to report profits by their own product cycle, which can vary from one day to several months, depending on the business. This requires translating the client’s reported profits for his or her product cycle to the loan cycle.

Q.6: If there was surplus, what did you do with it?

With the profits reported in Question 5, this question seeks to understand how clients used their profits. Did they reinvest in the business? Did they use the money to purchase or improve housing? Did they meet family expenses such as school fees or health care? Perhaps they paid off former debt or spent it on other “emergency” needs.
Q.7: What would you have done if you had not taken this loan?

This question seeks to learn if a client has any other financial resources he or she can draw on when needed. It also seeks to understand the different coping mechanisms clients use to meet business or household financial needs.

Q.8: Did you experience a crisis during this loan cycle? If so, did your loan help you cope with the crisis? How? How did the crisis affect your ability to make loan repayments?

This question seeks to learn more about clients’ ways of coping with crisis, how the loan is used in these situations, and how access to financial services can reduce vulnerability.

6.2.2 PART 2: Eight Questions on Savings

As with their loans, microfinance institutions (MFIs) need to know if their savings services—voluntary or required—really meet clients’ needs. Tracking how clients use savings will help shed light on important questions such as:

Do clients use savings primarily in cases of emergency?
Do they use them more often to meet consumption needs?
How common is it for clients to withdraw savings to make loan repayments?
Do they use savings to finance income-producing assets?

If savings is an important component of your program, consider asking clients a separate set of questions on savings. Those presented here are generic and will have to be adapted to reflect the specific nature of your savings services. Do you offer forced or voluntary savings? Do clients have access to their savings? Under what conditions? How you answer these questions will influence the specific questions you choose to ask clients in the interview.

Cautionary Note: Field experience has indicated that clients often do not distinguish between “use of profits” and “use of savings.” Clients may also have trouble distinguishing between uses of different types of savings products.
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Q.1: Do you have savings? If yes, how do you keep them?

If you are not interested in the many different ways people save (jewelry, livestock, etc.), you can specify “cash” savings in this question. Some programs go further, asking specifically about “voluntary cash savings” because their clients may not be able to use the “forced” savings required by the program.

Q.2: Why are you saving?

Even if savings are a requirement of the program, probe for the client’s other motivations, or her ideas for using her savings. Is she saving for business purposes? to pay school fees? to improve her home?

Q.3: How much did you withdraw from your savings in the last 6 months?

You can use the word “withdraw” if asking about cash savings, but will have to change the wording for non-cash savings (e.g., “How much did you turn into cash?”). You may want to change the timeframe to ask about the past 3 months, or the past year. However, people sometimes have difficulty remembering accurately further back than 12 months.

Note: Remember to use any relevant information your MSI can provide; a list of dates and amount of withdrawals will help you jog the client’s memory.

Q.4: How did you use the savings?

Though straightforward, this question has many possible answers. You may want to prompt from the following list of possibilities:

- pay off a loan
- invest in the business
- give to spouse
- pay school fees
- pay medical bills
- improve the house

Q.5: Who decided to use the savings in these ways?

You are interested in who makes the decisions regarding resource allocation. Do women have control over their savings? The answer to this question may shed light on their motivation to save.
Q.6: Why did you (or the other person mentioned in the previous question) decide to use the savings in these ways?

The decision to use the money in one way is also a choice NOT to use the money for other purposes. You want to find out WHY the client made the choice she did as this may tell you something about her priorities (or lack of choice, if she spent her savings in response to an emergency or if someone else made the decision).

Q.7: What would you have done if you did not have these savings available?

By probing for clients’ other sources of capital, you gain insights into their financial options and the impact of the opportunity to save.

Q.8: Did you save regularly before you joined this program?

With this question you are trying to determine if the program has influenced clients’ savings habits.
When the ASHI impact team began to prepare for the Savings Use interviews, several managers expressed doubt about the usefulness of this tool. ASHI’s voluntary savings programs have not been widely used; clients’ savings records indicate low levels of savings and little movement in the accounts from month to month. None of the sampled clients had enough voluntary savings to make a significant investment in either business of household assets. Like most Grameen replicators, ASHI offers compulsory savings that are paid weekly into the Group Fund, from which clients can borrow on a limited basis for medical emergencies. For all these reasons, the staff was convinced that regular savings is not a salient part of the local culture. Despite the skepticism, senior management and the technical advisors to the evaluation insisted on trying out the tool.

The results brought lots of surprises. The first is that almost all clients are saving, in multiple places and forms, but few are saving with ASHI. Why? Saving primarily for emergencies, clients need access to their money. Yet, Group Fund loans are accessible only for small sums, only for medical emergencies and only if no other group member has a current loan. Clients complained that the approval process for withdrawing for medical emergencies takes at least two weeks. While voluntary savings are accessible at the weekly meetings, clients fear they will be pressured to use them to cover arrears of other members, and thus feel their money is safer hidden at home! In addition, evaluators learned that administrative error left clients without their passbooks for months after they were collected by local staff.

Not only do clients save, but most report that they were saving even before joining ASHI. So, ASHI did not foster a habit of savings, nor does it benefit from it. Yet, now management has the information it needs to confront the challenge of designing products that will attract some of its clients’ savings with features such as greater confidentiality, safety and access.
**Interview Guide for Savings Use**

This interview guide is based on questions used in Uganda and Peru. In Uganda, a form was filled in for each of the last three withdrawals or for each withdrawal over the last two years. In Peru, clients had withdrawn a large amount only once, so multiple forms were not necessary.

Client number _______________________   Date interviewed: ______________
Interview number ____________________   Interviewer number: _______________
Institution___________________________

**Fill in the information below from the institution’s management information system:**

- Date client entered program:___________   Date savings began:_________________
- Current amount of client’s savings: _______________
- Is this more than required amount (if savings are obligatory)?  ___ Yes    ___ No
- Has this client used savings to make loan payments?  ___ Yes    ___ No
- Savings withdrawal number: ______   Amount: _________  Date withdrawn:__________
- Savings withdrawal number: ______   Amount: _________  Date withdrawn:__________
- Savings withdrawal number: ______   Amount: _________  Date withdrawn:__________
- Savings withdrawal number: ______   Amount: _________  Date withdrawn:__________

**INTERVIEW QUESTIONS**

1. Do you have savings? If yes, how do you keep them?

2. Why are you saving?

3. How much did you withdraw from your savings in the last 6 months? **(Note: You can prompt client with the information provided by your MIS and noted above.)**

4. How did you use the savings? **(Note: Probe for specific uses and amounts. If it is not obvious from the initial answer, probe with, “How did it help your family or business?”)**

5. Who decided to use the savings in these ways?

6. Why did you (or the other person) decide to use this money in this way? (rather than for other possible uses?)

7. What would you have done if you did not have these savings available?

8. Did you save regularly before you joined this program?
6.3 Sampling

Two strategies for selecting clients to interview are (1) a random method, and (2) a representative sample carefully chosen to reflect specific program or client characteristics of special interest to management.

The random method involves a random selection of clients from the program’s client roster. Some program conditions, however, may indicate first dividing clients into two groups and sampling clients at random from each of these groups. For example, a program that offers different loan products may want to ensure that they interview clients using each product. Similarly, a program operating in two distinct regions may want to sample from clients in each region. In these cases, a sample of at least eight to ten clients from each sub-group is recommended to capture an adequate range of experience. (See the example in Figure 6-3.)

Alternatively, the interest may be in learning about loan use from more specific subsets of clients. In this case, the task is to identify the key characteristics or client types the program needs to learn about. Does the program want to compare and contrast different groups of clients? Which ones? Does it want to determine the similarities and differences in loan use strategy between urban and rural microentrepreneurs? Between resource-rich and resource-poor villages? Between manufacturers and traders? Between men and women? Between those participating in village banks and those receiving individual loans? Between clients in different types of businesses? So the first questions to answer in determining a sample are the following: From whom does the program wish to learn something about loan use strategies? How does the program want to compare and contrast this information?

In Nicaragua, 4i-2000, a program of World Vision, applied the loan use tool with 28 clients – 18 clients with individual loans and 10 village bank members.

In the Mali tools test, the evaluation team selected a sample of 12 based on time in the program and business sector. Because impact takes time to emerge, the team decided to interview female clients in their fifth or sixth loan cycle; they also decided to compose the sample with representative businesses, choosing the following four: restaurant operators (4); condiments sellers (3); millet beer sellers (3); and traders of non-food items such as soap, indigo dye, and brooms (2).
If choosing this second method, it is important to note that each additional selection characteristic requires an increase in the sample size because it is important to interview enough clients to identify a trend or pattern that is representative of each sub-group. A sample of three from each client group should be sufficient to determine differences in population. Generally, the more homogeneous the clients are, the fewer you will need to interview. With either method, identify extra clients in the event that some of those selected to interview are not available.

6.4 Preparing for the Interview: Step by Step (P)

To prepare for the interviews, undertake the following steps, explained below: (1) study the clients’ records; (2) adapt the interview tools; (3) develop probing questions; (4) translate the tool; (5) prepare interview materials; (6) field test the interview; and (7) schedule interviews.

Step P - 1: Study the Clients’ Records

After choosing specific clients to participate in the loan use interview, review demographic and loan history information contained in those clients’ records. For each selected client, complete the “Interviewee Data Form”. Get familiar with each client’s loan history: the amount and number of loans provided, intended loan use, type of business, and repayment history. Take this information along when conducting the interview because it will be helpful, sometimes essential, in helping the client remember his or her own credit history. It will also help you to develop probing questions. The more an interviewer knows about the client before the interview, the more prepared he or she will be to ask the kinds of questions that yield important information.

Step P - 2: Get To Know and Assess the Research Tools

The research team should review the two interview guides (“Use of Loans and Profits” and “Savings Use”) to determine if the questions they contain are the right ones for the assessment’s purposes. If the team wants to gather very specific information on a particular lending product or financial service, decide (1) if this information can be obtained through probing questions that explore each of the main questions in greater detail, or (2) if a new categorical question is needed. In addition, it may be necessary to modify the questions to make them culturally appropriate.
Step P - 3: Develop Probing Questions

After becoming familiar with the main categorical questions, begin thinking of probing questions that will help you obtain more specific information on loan use from the client. The challenge with qualitative research is that even though categorical questions may seem very simple, they can result in quite complicated answers. For example, an open-ended question such as, “Tell me about how you joined the program,” can yield as simple an answer as, “My friend invited me to join,” or a more complicated answer about moneylenders charging too much interest, a husband abandoning his wife, or a loan officer going the extra mile to include all the eligible clients in the community.

It is not possible to know in advance what will occur in the course of conversation, yet it is important to be prepared to pursue any topic that might be of interest to the organization by asking probing questions. For each categorical question, try to anticipate the directions you might want to pursue and think of probing questions in advance to help you do that. Of course, you may not anticipate the right thing and end up being surprised by a client’s answer. Thus, you might not have anything prepared for such an answer and will have to think quickly. That is the challenge and joy of qualitative interviewing. (See Appendix 6.1 on the CD for training exercises dedicated to this skill.)

<table>
<thead>
<tr>
<th>Key Question</th>
<th>Sample Probing Question</th>
</tr>
</thead>
</table>
| 1. What did you do with your loan money? | • Did you use any of the loan for another business, to pay off other debts, to save, or for personal/household expenses?  
• If used to pay off other debt, to whom did you owe money?  
• If used for savings, how much was put away? Where do you save?  
• If used for personal or household expenses, which ones?  

If the client reports that he or she used the loan only for his or her business, find out what he or she invested in:  
• Did you increase your stock, purchase equipment, buy raw materials, or improve your business location?  
• If purchased equipment, what did you buy? How much did it cost?  
• If purchased raw materials, which ones did you buy? Did you buy more or less than previously?  
• If improved business location, what did you do to your place of business? |
In this preparation phase, think about the different types of questions that might be good to ask, rather than planning a definite line of questioning. Having some questions ready may make you feel more at ease when starting the interviews.

**Step P - 4: Translate the Tool**

See Chapter 3 for the process to translate the questions in the interview guide and other parts of the tools to clients’ local languages.

**Step P - 5: Prepare Interview Materials**

You will need an interview guide/recording matrix form for each client in the sample. Record the client’s answers on this form. Taping the interview on a small hand-held cassette player is also strongly recommended. It will help you remember details of the conversation you might not have had time to write down. Depending on the method you chose for recording and analyzing the data (see Step I3), you may also want to carry a small notebook to record colorful expressions or interesting phrases the client used.

**Step P - 6: Field Test the Interview**

At this point, the interviewer will have everything prepared, will know the categorical questions, will have developed probing questions, and will have practiced the interview with other team members. **Despite all this preparation, it is essential to field test the tool with actual microentrepreneurs.** This is the last chance to identify potential problems, points of confusion, and necessary revisions to the tool. Each interviewer should conduct at least two “test” interviews. When these are completed, the team members should convene to discuss their experience and make any changes to the tool, or the process of using it, that the test indicates.
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Time these interviews and take an average of the minutes required to enable you to 1) provide clients with a good estimate of how much time the interview will require, and 2) know how many interviews are possible in one day.

**Step P - 7: Schedule Interviews**

Schedule the interviews with the clients selected in the sample. Whenever possible, meet clients at the place where they operate their businesses. When interviewing a marketplace vendor, for example, allow for interruptions as customers visit the client’s stall. If it is not possible to meet the client at his or her place of business, ask the client’s loan officer to arrange a time, date, and location for the interview with the client. If the client has to travel to the interview location, reimburse the cost of transportation at that time.

**Figure 6-6. Reducing the Client’s Anxiety**

Explain the interview with comments such as

- “The organization wants to learn from you, so your honesty is most welcome”; or
- “We are not concerned with what you put on your loan application but in the actual way you used the loan”; or
- “Your name will be known only to the interviewer, and no one else will know.”

When making the appointments, tell clients:

- how long the interview will take;
- in preparation, they should try to remember the specific ways that they used each of their loans.

Make an effort to reduce the client’s anxiety about reporting this information, especially if the organization requires the loan to be used exactly as presented in a business plan.

6.5 Interviewing Clients (I)

This section provides specific guidelines for using the “Use of Loans, Profits and Savings Over Time” tool, including explanations of how to carry out the interview and how to record the clients’ responses.
**Step I - 1: Begin With Warm-up Questions**

The “Use of Loans, Profits and Savings Over Time” tool depends on clients’ recall. Therefore, it is important to create an interview environment with clients that will help them remember information from different loan cycles. After preliminary introductions, ask the client some general questions about his or her participation in the program and how different loans have been used. This discussion is a “warm-up” for the specific questions that follow (See Figure 6-7, “Warm-up Questions and Answers”). Record clients’ comments during this discussion because they can help you figure out what probing questions to ask as the interview proceeds. Also, use the information obtained in this opening conversation to confirm later responses to the directed questions.

**Figure 6-7. Warm-up Questions and Answers**

**Dialogue 1:**
**Interviewer:** Tell me about how you joined the program.
**Client:** The woman who sells next to me at the market knew I was having problems collecting enough money to buy more goods to sell. She told me about your organization and that you give loans to people like us. So I came to the office to find out. The people there told me about the program, and I decided to join.

**Dialogue 2:**
**Interviewer:** Tell me about the difficulties you have had in finding money to invest in your business.
**Client:** No one wants to help me, only the moneylenders. They charge 400 percent interest, and even when you pay that they don’t leave you alone. I needed to buy some spare parts for my bicycle so I could continue with my delivery business, but I couldn’t get enough money together to buy them. My cousin knew one of the people who works for the organization, and he told me how I might be able to get some help.

**Step I - 2: Ask Categorical and Probing Questions**

When the general conversation reaches a good comfort level for both the interviewer and the client, start asking the categorical questions on the “Use of Loans, Profits and Savings Over Time” Interview Guide. Proceed one question at a time, asking the categorical question first, followed by probing questions to clarify or expand on the client’s answer.

When asking probing questions, recall the questions you thought to ask when preparing for the interview; refer to the notes you have taken during the general discussion that took place.
at the outset of the interview, and most importantly, listen to what the client is saying and NOT saying. Listen carefully, and remember what you know about clients LIKE her. With knowledge of the background—such as the client’s circumstances, the administration of the loan products, or the general economic context of the country—asking probing questions is usually a matter of simply continuing the conversation. (See Figure 6-8, “Probing Question Dialogue.”)

<table>
<thead>
<tr>
<th>Figure 6-8. Probing Question Dialogue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interviewer:</strong> Tell me about how you used your loan.</td>
</tr>
<tr>
<td><strong>Client:</strong> I bought some more maize to sell, and I paid a share in a grinding machine so I could start that business too. I gave my husband some money, as well.</td>
</tr>
<tr>
<td><strong>Interviewer:</strong> About how much did you use to buy the maize? About how much did you use for the grinding machine? About how much did you give your husband?</td>
</tr>
<tr>
<td><strong>Client:</strong> Out of the $100, I paid $65 for the maize, about $20 for the grinding machine, and the rest I gave to my husband.</td>
</tr>
<tr>
<td><strong>Interviewer:</strong> Does your husband have a business also?</td>
</tr>
<tr>
<td><strong>Client:</strong> Yes, he actually helps me with selling the maize, so I give him some money because he helps me. Then he uses that money to buy parts of grinding machines that have fallen apart so he can fix them.</td>
</tr>
<tr>
<td><strong>Interviewer:</strong> So, the $20 for the grinding machine, and the $15 you gave to your husband all were used for the grinding business?</td>
</tr>
<tr>
<td><strong>Client:</strong> Yes.</td>
</tr>
<tr>
<td><strong>Interviewer:</strong> Is that why you bought a share in the grinding machine?</td>
</tr>
<tr>
<td><strong>Client:</strong> Yes, this way both my husband and I can earn from different sources.</td>
</tr>
<tr>
<td><strong>Interviewer:</strong> Do you own the grinding machine with your husband?</td>
</tr>
<tr>
<td><strong>Client:</strong> Yes, we own it together.</td>
</tr>
<tr>
<td><strong>Interviewer:</strong> So from your loan, you now have two businesses?</td>
</tr>
<tr>
<td><strong>Client:</strong> Yes.</td>
</tr>
</tbody>
</table>

From the probing in Figure 6-8, the interviewer has learned several things: (1) the client has used the loan in two different businesses; (2) the client operates a business with her husband, in addition to her primary business of selling maize; (3) the client generates income from at least two different businesses; and (4) the client’s husband has an additional business in fixing maize-grinding machines. Knowing these elements will help the organization understand how clients allocate the loan money they have received, and the interrelationship of one business to another. Management may determine from this information that the loan application forms need to be revised to reflect the multiple allocation decision.
Step 1 - 3: Record Responses

There are two ways to record the data—a time-consuming process that is more “true” to the art of qualitative research and a more streamlined method that involves time-saving shortcuts. Both are explained below:

Method 1: Traditionally, qualitative interviewing calls for the interviewer to write down as much of the client’s comments as possible in a notebook where at least one page is reserved for each question. In qualitative interviewing, there is no such thing as recording too much. So, the first, more time-consuming method is to record, for each question, what the client says in his or her own words or expressions. The interviewer should not summarize, because in doing so, he or she may introduce his or her own interpretation and biases. If the client agrees, use a tape recorder to capture all the information. Following the interview, the interviewer summarizes the detailed information recorded during the interview on the recording matrix.

Method 2: Shorten the process described above from two steps to one. Instead of recording clients’ responses in a notebook, use the recording matrix to write, in summary fashion, the clients’ answers directly on this form, which has a column for each loan. Ask the 8 categorical questions for the first loan, and record answers in the first column. For the next, intermediary loan, record answers in the second column. Repeat for the third loan. Tape record the interview to capture details that can’t be recorded on the form. Later, you can type the interview directly into an electronic copy of the form, adding details from the tape. The word processing software will expand the length of the form depending upon how much is typed in the boxes.

The advantages of Method 2 are obvious. It takes less time, because the researcher does not have to summarize and transcribe the interview details from his or her notebook to the recording matrix. Field experience with this tool has shown that during an impact assessment, the days are long and time is precious, so efficiency becomes very important. But the disadvantage is that it discourages interviewers from capturing interesting detail, colorful expressions or ways of saying things that provide insight to a client’s feelings and perceptions. If those doing the interviewing are not accustomed to detailed note taking, the shorthand style of Method 2 is strongly recommended. Use Method 1 when you have sufficient time and researchers with appropriate skills.
6.6 Analyzing the Data (A)

The data analysis process recommended for this research entails five main steps: (1) transcribe data from questionnaires to the Loan Use Analysis Grid,¹ (2) extrapolate information from the grid and develop cross-client data tables, (3) study cross-client data tables with other team members to identify findings, (4) write the analysis in narrative form, and (5) share the analysis with others.

**Step A - 1: Transcribe Data from Questionnaires to the Loan Use Analysis Grid**

If Method 1 is used for recording, the first task is to transcribe all the information gathered during the interviews onto the “Use of Loans, Profits and Savings Over Time” Recording Matrix immediately. Use one grid per client to summarize key points about each client’s use of loans over time. It is also helpful to have all of a client’s information on a single sheet of paper that can be reviewed at a glance. An example of a client’s narrative and “Use of Loans, Profits and Savings Over Time” Analysis Grid is included at the end of this section.

If Method 2 has been used, the data is already recorded on this matrix enabling the researchers to move directly to Step A2.

¹The recommended practice is to first write a detailed, narrative case history for each client from the field notes. In both AIMS field tests in Mali and Honduras, however, this step was not useful, given limited time and skills of the interviewers. Under the right circumstances, with researchers who have solid writing skills and sufficient time, such case histories are still recommended.
**Step A - 2: Extrapolate Information from Multiple Clients and Develop Data Tables**

From the summaries on the Recording Matrix, create a table that compares clients’ responses to each question. (Some questions can be analyzed together in one table.) Beginning with the clients’ first loans, look for patterns and trends. One of the first tables to be made summarizes the ways in which clients have used their loans, as shown in Figure 6-9, “Clients’ Loan Use.” A second example comparing client responses to question #3, “Who decided to use this loan in these ways?”, is found in Figure 6-10, “Who Makes the Decisions About Loan Use?”

<table>
<thead>
<tr>
<th>Client Name/No.</th>
<th>Loan 1 Amt.</th>
<th>Loan 2 Amt.</th>
<th>Loan 3 Amt.</th>
<th>Loan 4 Amt.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Bought condiments for existing condiment business.</td>
<td>Condiments</td>
<td>In addition to condiments, bought beans to sell to other women. Bought some shoes/clothing for self and children.</td>
<td>Condiments, beans. Gave some to husband and kept some money at home.</td>
</tr>
<tr>
<td>2.</td>
<td>Expanded restaurant business by adding meat and a richer sauce to menu.</td>
<td>Food for restaurant. Added soft drinks to menu.</td>
<td>Food/drinks for restaurant. Also spent money on clothing for self and children.</td>
<td>Food/drinks for restaurant. Gave some money to daughter to start up business.</td>
</tr>
<tr>
<td>3.</td>
<td>Start up a business of buying and selling cereal(s).</td>
<td>Bought cereals and started up a second business of selling used clothing.</td>
<td>Cereals, used clothing. Also spent some money on medications for sick child and school fees.</td>
<td>Cereals, used clothing. Spent some money on buying material for upcoming marriage of daughter.</td>
</tr>
</tbody>
</table>
**Figure 6-10**

*Who Makes the Decisions about Loan Use?*

<table>
<thead>
<tr>
<th>Client No.</th>
<th>Loan 1 Amount</th>
<th>Decision-maker</th>
<th>Loan 3 Amount</th>
<th>Decision-maker</th>
<th>Loan 5 Amount</th>
<th>Decision-maker</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$50</td>
<td>Self</td>
<td>$150</td>
<td>Self</td>
<td>$300</td>
<td>Self + Brother</td>
</tr>
<tr>
<td>2</td>
<td>$80</td>
<td>Self</td>
<td>$240</td>
<td>Self + Husband</td>
<td>$450</td>
<td>Self + Husband</td>
</tr>
<tr>
<td>3</td>
<td>$35</td>
<td>Self</td>
<td>$105</td>
<td>Self</td>
<td>$200</td>
<td>Self + Father</td>
</tr>
</tbody>
</table>

**Step A - 3: Study Multiple-Client Data Tables to Identify Findings**

The interviewer is now ready to study the loan use recording matrices and the multiple-client tables with the team to identify the findings that the data suggests. Post each of the tables on the walls, or find other ways to display them so everyone can see the data and analyze it together.

To better understand what the data is suggesting, try some of the following techniques:

- **Categorize the clients' stories to illustrate the strength or weakness of a finding.** Compare/contrast client responses in different categories or group together clients with similar characteristics. For example, look at how first loans are used, then second, then third. What patterns in business expenditures can you find? Are clients re-investing any profits in their business? If so, are they expanding their business or diversifying and starting new ones?

- **Look at the clients who report spending some portion of their loan on personal items.** Do they have anything in common? Are they men or women? Are they new or mature clients? When do they tend to spend a portion of their loan on personal consumption? With the first loan? The second?

- **Find common themes.** Study the client narratives and multiple client comparisons to identify emerging trends—behaviors common to a significant percentage of respondents (e.g., similar uses of loans, profits or savings).
By asking these types of questions (these are offered as examples only), it is possible to determine whether there is an overall pattern or trend in client loan use, or whether the pattern is relevant to just one type of client. With each comparison/contrast, identify and summarize the major changes that appear to have taken place.

Responses to Question #3 from all clients interviewed in the FINCA/Peru program are summarized in Figure 6-11. They indicate an interesting shift; the majority of new clients make decisions with their spouse, but those who start making their own decisions bring in another person as they progress in the program, either a business partner or other family member. Mature clients with more than 3 years in the program appear to have greater control over their investment.

<table>
<thead>
<tr>
<th>Time in Program</th>
<th>Decision</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>One year</td>
<td></td>
<td>33.3</td>
<td>66.7</td>
<td>0</td>
<td>100.0</td>
</tr>
<tr>
<td>More than one up to three years</td>
<td></td>
<td>16.7</td>
<td>66.7</td>
<td>16.7</td>
<td>100.0</td>
</tr>
<tr>
<td>More than three years</td>
<td></td>
<td>61.5</td>
<td>30.8</td>
<td>7.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>45.5</td>
<td>45.5</td>
<td>9.1</td>
<td>100.0</td>
</tr>
</tbody>
</table>

All of the information gathered during the loan use interview should be reflected in a series of multiple-client tables like that in Figure 6.11. This is the necessary foundation for finding patterns and trends in loan use. Describe each finding in writing as completely as possible. Figure 6-12 offers a narrative description of the loan use data in Figure 6.9. Similarly, Figure 6-13 below provides an analysis of the information on decision-making in Figure 6-10.
Step A - 4 Organize and Explain
Findings around Common Themes

Now you are ready to organize and write your draft report. Use each of the themes identified in Step A3 as the topic sentence of a paragraph in the section of the report that describes findings from the application of this tool. Fill in each paragraph with the evidence supporting the theme. Indicate the percentage of cases in which this theme holds true. Note any significant counter theme.

Cite outstanding cases of clients who were doing what the theme implies. Findings organized by theme that include both frequency of occurrence and illustrative cases about actual client decisions and behavior tell a powerful story to managers and other readers about how clients are using their funds strategically.
Step A - 5: Identify Implications and Recommendations of Findings

As a team, re-read your findings, now organized in thematic paragraphs. Think about the overall picture that is emerging. What do these findings mean for the program? For its policies and services? Discuss ideas for how the organization can address the issues these findings point to. Of course, the better you or other writers understand the program and its current policies, the more specific the recommendations will be.

Figure 6-15
Summary of Findings on Loan Use by ASHI clients

In the Philippines, ASHI used this tool to interview 27 mature clients. Several trends were identified:

1) Women gradually moved into more technologically sophisticated businesses;
2) They eventually invest where there is potential for profit, rather than in familiar activities that can be combined with housework;
3) Successful clients either bring their husbands into their business or capitalize them to improve their own businesses with, for example, improved fishing nets or boat motors.
4) As loan sizes increase, men tend to become more involved in decisions about loan use. Men’s involvement is linked to the investment of loan funds in “their” businesses (e.g., fishing and transport) or managing the higher risk of larger amounts. Yet, capitalizing husbands has proven to be an important route out of poverty.
5) Many eventually combine their daily cash business (e.g., petty trading) with “piggy bank” activities like raising pigs which offer a large lump sum return.

Figure 6-14
Common Themes Found in Peru

Some themes that emerged from analyzing the data from clients of Finca/Perú include:

- Clients used their initial loans primarily for working capital.
- Clients used internal account loans primarily to take advantage of short term opportunities or to fund seasonal businesses.
- With later loans, clients shifted to buying equipment, diversifying businesses, and investing in physical improvements to the home or business.
- Women are choosing to invest in what they think will give them the best return without increasing their risk. Diversification—both in the number of businesses and the range of products—is a common strategy.
- Women use money to set other family members up in business.
- Since the recession started, women have borrowed significantly less than before.
Figure 6-16.
Client Case History

**Name:** Jane

**Location:** Uganda

28; married; 5 persons in household; 3 children, but only one of school age and he or she is in school; 2 engaged in work; 2 businesses, 1 salaried worker; renter.

Businesses at time of first loan: clinic; husband had ‘special hire’ car.

**Background:** Jane is a general nurse. She opened her storefront clinic 3 years ago, having trained for 3 years as a nurse and subsequently worked in a hospital. Her husband earns a regular income as a teacher. They own a ‘special hire’ car, which they rent out to a driver. Unfortunately, the driver suffered an accident and the car is currently in the garage. This has led to a loss of a significant source of regular income, estimated at 20,000/- per day. It also led to a liquidity crisis, which was met by allocating loan funds to household needs—rent and school fees. The family rents its housing, which has been subdivided; the front room serves as a clinic with examining bed and a lock-up pharmacy.

**Household Structure:** Her 5-person household includes a house girl as well as 2 small children, one of whom is in school. This would appear to be a collaborative household in which husband and wife share financial responsibility for rent and school expenses. Her husband currently assumes responsibility for the household’s food needs.

**Loan Use:** The first loan (150,000/-) was used to purchase drugs with the goals of meeting unmet demand. Having turned clients away for lack of specific stock, she sought to broaden her range of drugs to attract and retain a larger clientele. With a profit margin of about 25%, she was able to generate about 500/- a month. Earnings were spent on household needs as well as her medical license and clinic permit. Her second loan, 250,000/-, reflects the beginnings of a household liquidity crunch caused by the loss of income from the car. Only 40% was used to purchase drugs, the balance was used for two months rent. Jane did point out that she purchased a new and highly demanded product, injectable malaria, as part of her on-going strategy to attract new clients. Her third loan did not increase, probably a reflection of the income shortfall from the car. Meanwhile her profit has been growing slowly and she was able to deposit 10,000 in her savings account at Coop Bank.

**Interaction with Other Financial Institutions:** Jane opened a savings account with Coop Bank in 1996. Her balance is at 80,000 down from 100,000 to cover medical expenses associated with family illnesses over the last 4 months. She defined the account as her ‘problem account,’ which is intended to cover unexpected expenses including health needs and the occasional loan repayment when she has a cash shortfall.

**Responding to Crises:** Sickness of both her and her daughter and the car accident have been the main crises over the last year. Daughter’s 2-week hospitalization meant a loss of income from the clinic. She had engaged a person to help in the clinic but the helper took all the earnings, leaving her with no income to cover loan repayments. Her husband paid off the loan.
## Figure 6-17.

**Loan Use Analysis Grid**

<table>
<thead>
<tr>
<th>Name: Jane (accompanies the narrative in Figure 6-16)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th></th>
<th>I (first loan)</th>
<th>II (intermediary loan)</th>
<th>III (last loan)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Loan amount</strong></td>
<td>150,000</td>
<td>250,000</td>
<td>250,000</td>
</tr>
<tr>
<td><strong>Date received</strong></td>
<td>12/97</td>
<td>4/98</td>
<td>9/98</td>
</tr>
<tr>
<td><strong>Term/repayment</strong></td>
<td>16/weekly</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Allocation of loan funds</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>150,000 for purchase of drugs.</td>
<td>100,000 drugs; 120,000—2 months rent.</td>
<td>150,000 drugs; 60,000 rent; 20,000 school fees; 10,000 Coop Bank.</td>
</tr>
<tr>
<td><strong>Reasons for allocation</strong></td>
<td>Increase range of drugs, bought more cheaply; goal was to increase number of clients; previously had to send them elsewhere when couldn't meet needs.</td>
<td>Usually husband pays rent but didn't have cash; he helps when she is short. New drug—injectable malaria. New drugs successful in attracting new clients.</td>
<td>Needed to help out since husband's car still in garage.</td>
</tr>
<tr>
<td><strong>Who decides</strong></td>
<td>Client</td>
<td>Client and husband</td>
<td>Client and husband</td>
</tr>
<tr>
<td><strong>Profits/surplus; loss</strong></td>
<td>25% increase in profit; keeps books. Estimate profit at 50,000/month.</td>
<td>Marginal increase in profit.</td>
<td>Continued increase. Estimate profit 700,000/month.</td>
</tr>
<tr>
<td><strong>Use of profits</strong></td>
<td>Rent, 60,000 for 1 month; paid shop license. Clinic, 100; medical license, 50,000; shared school fees with husband; savings in Coop Bank.</td>
<td>School fees, 40,000; food for household.</td>
<td>Restock (working capital); increased forced savings in Trust Bank to get bigger loan.</td>
</tr>
<tr>
<td><strong>Alternative if no loan</strong></td>
<td>Nothing</td>
<td>Would have looked elsewhere.</td>
<td></td>
</tr>
<tr>
<td><strong>Crisis and response</strong></td>
<td>Couple owned car, which was husband's business. Had special hire driver; had accident. Car still in garage. Loss of regular income of 20,000/day.</td>
<td>Daughter was sick; went to hospital; had operation—2 weeks in hospital; had help, but she took money; so closed clinic. Paid off loan with help of husband.</td>
<td></td>
</tr>
<tr>
<td><strong>Savings</strong></td>
<td>Coop Bank—opened before joining Trust in 1996; had 100,000; reduced to 80,000 by withdrawing for Trust-forced savings; uses as emergency for health expenses and when need to cover loan (liquidity management); finds herself drawing on savings for repayment about once a month.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:** She keeps very detailed accounts and could calculate the figures.
6.7 Scheduling

The “Use of Loans, Profits and Savings Over Time” tool involves tasks in the three phases explained above: (1) preparation for data collection, (2) interviewing clients (data collection), and (3) data analysis. Approximate times required for each are offered below. These times are based on a sample of 24 clients, the average sample size for this tool used by practitioners to date. With two people to interview 24 clients, the process laid out in Figure 6-18 requires 16 days.

It has been found that persons with some university training make better qualitative interviewers for this tool given the demands of interviewing while recording a lot of information about each client. Those with lower levels of formal education may understand the subject matter but often are not accustomed to writing detailed notes.

<table>
<thead>
<tr>
<th>Figure 6-18 - Times, Tasks and Personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tasks</strong></td>
</tr>
<tr>
<td><strong>Preparation</strong></td>
</tr>
<tr>
<td>Review the questions for accomplishing objectives for this tool.</td>
</tr>
<tr>
<td>Decide which types of clients will be interviewed (from which loan product? Which region? Which sex?).</td>
</tr>
<tr>
<td>Train the interviewers.</td>
</tr>
<tr>
<td>• Field test the tool in the morning.</td>
</tr>
<tr>
<td>• Debrief in the afternoon.</td>
</tr>
<tr>
<td>• Revise questions as needed.</td>
</tr>
<tr>
<td>Select the sample of 24 clients.</td>
</tr>
<tr>
<td>Complete Interviewee Data Form for each client in the sample</td>
</tr>
<tr>
<td>Schedule the interviews with clients and plan for logistical needs (e.g., transport).</td>
</tr>
</tbody>
</table>
### Client interviews

<table>
<thead>
<tr>
<th>Task</th>
<th>Time</th>
<th>Personnel</th>
<th>Observations</th>
</tr>
</thead>
</table>
| **Client interviews**<br>(data collection) | 4 days | 2 interviewers 1 quality control in office (could be trainer) | Based on 3 interviews per interviewer, per day including:  
• travel time;  
• 60-90 minutes for interview;  
• writing up field notes  
Have a secretary enter field notes into the tool’s matrix every day. |
| Interview clients<br>It is best if the interviewer has time after each day's interviews to review notes and write in additional information.) | | | |

### Data Analysis

<table>
<thead>
<tr>
<th>Task</th>
<th>Time</th>
<th>Personnel</th>
<th>Observations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review matrix that typist has created on computer and complete.</td>
<td>Up to 2 days</td>
<td>2 interviewers 1 quality control in office</td>
<td>Do this as close to the actual interviews as possible, preferably at the end of each day.</td>
</tr>
<tr>
<td>Create data tables comparing multiple client responses to each question.</td>
<td>2 days</td>
<td>2 interviewers 1 supervisor</td>
<td></td>
</tr>
<tr>
<td>Analyze data for patterns, trends, themes.</td>
<td>1 day</td>
<td>2 interviewers 1 supervisor</td>
<td></td>
</tr>
<tr>
<td>Write report</td>
<td>2 days</td>
<td>2 interviewers 1 supervisor</td>
<td>Report writing can be delegated to the supervisor or technical consultant.</td>
</tr>
</tbody>
</table>

**TOTAL DAYS**<br>For 2 interviewers and 24 clients | 16 days | | |

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Chapter 6

Learning from Clients:
Assessment Tools for Microfinance Practitioners

6-36

Tool 3
Use of Loans, Profits and Savings Over Time
Chapter 6

Appendices

The following appendices provide useful information to complement the material in the chapter. Many of the documents were developed in the field and make the implementation of the field work in AIM S-SEEP types of evaluations much easier.

***They are located on the CD-Rom inside the folder “Manual - Chapter 6”.

<table>
<thead>
<tr>
<th>Appendix Number</th>
<th>Document Title Description</th>
<th># of Pages</th>
<th>Filename</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1</td>
<td>Training Staff to Use the “Use of Loans, Profits and Savings Over Time” Tool; This document includes training exercises to use during the preparation phase of research. Each exercise targets a specific skill that will help researchers apply the “Use of Loans, Profits and Savings Over Time” Tool. Because some researchers may already have these skills, team leaders should use their discretion in deciding how to train those who will be applying this tool. Most critical of these is Training Exercise #3, in which all skills come together and the interviewer becomes the research instrument.</td>
<td>10</td>
<td>App. 6.1 - Loan Use Training.doc</td>
</tr>
<tr>
<td>6.2</td>
<td>Loan Use Strategies Over Time Analysis Matrix; Individual case of TBB Bangad Lapaz from ASHI IA 2000.</td>
<td>2</td>
<td>App. 6.2 - Loan &amp; Savings Analysis-TBB BANGAD case.doc</td>
</tr>
<tr>
<td>6.3</td>
<td>Analysis of the Savings Use Tool &amp; Analysis Matrix; Summary of findings from the Savings Use Tool for one branch of ASHI in the Philippines, and an example of a completed Savings Use Analysis Matrix.</td>
<td>2</td>
<td>App. 6.3 - Analysis of Savings Use-ASHI.doc</td>
</tr>
<tr>
<td>6.4</td>
<td>Loan Use Strategies Over Time Analysis Matrix; An example of a completed Loan Use Strategies Analysis Matrix from ASHI IA in the Philippines.</td>
<td>4</td>
<td>App. 6.4 - Loan Use Matrix Summary-ASHI.doc</td>
</tr>
</tbody>
</table>
Chapter 7

Tool 4: Client Satisfaction

7.1 The Client Satisfaction Tool
7.2 Why the Client Satisfaction Tool Was Developed
7.3 Using the Client Satisfaction Tool: A Focus Group Interview
7.4 Select the Sample
7.5 Preparing for the Interview
7.6 Interviewing Clients
7.7 Analyzing the Data
7.8 Scheduling
7.9 Guide to Appendices
7.1 Client Satisfaction Tool

**Type of tool:**
Qualitative

**Overview:**
The Client Satisfaction Tool is a focus group interview tool that will help users learn the extent to which clients are satisfied with the program and what specific changes would better meet their needs.

**Hypotheses tested by this tool:**
None. This tool focuses on client satisfaction and provides information targeted to improving the program rather than identifying its impacts.

**Purpose:**
The purpose of the Client Satisfaction Tool is to:
- Determine client satisfaction with program products and services; and
- Solicit client suggestions for improving the program.

**Amount of time required to administer the tool:**
120 minutes (2 hours)

**Source:**
Original Version: Nancy Horn, Friend of SEEP
Revisions: Members of the AIM S-SEEP tools team and other practitioners
## Client Satisfaction “Likes-Dislikes” Reporting Matrix

<table>
<thead>
<tr>
<th>Group No.</th>
<th>Members in Group</th>
<th>Center</th>
<th>Branch</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Facilitated by: Assisted by: Date Time

Program Element

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Completed Example, ASHI 2000**

**Group Formation**

- That a group of 1-5 mothers can have capital helps with school expenses and the family.
- It took long before we got our release
- We do not like the repeated training.
- Disburse loans within 5 days.
- So that there is not a lot of wasted time for members and staff.
- 17
## Summary of Client Satisfaction Reporting Matrices

**Total Number of Groups Interviewed:** 
**Total Number of Participants:** 

<table>
<thead>
<tr>
<th>Program Element</th>
<th>What Clients Like?</th>
<th># of Grps</th>
<th>What Clients Dislike?</th>
<th>Recommendations To Improve?</th>
<th># of Grps</th>
<th>Why?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Size</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Rate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan Term</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Learning from Clients:

#### Assessment Tools for Microfinance Practitioners

**Client Satisfaction**

<table>
<thead>
<tr>
<th>Program Element</th>
<th>What Clients Like?</th>
<th># of Grps</th>
<th>What Clients Dislike?</th>
<th>Recommendations To Improve?</th>
<th># of Grps</th>
<th>Why?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings (amt. &amp; frequency of deposit)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access to Savings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frequency of Meetings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Chapter 7

7.2 Why the Client Satisfaction Tool Was Developed

Some experts are satisfied with indicators of client satisfaction that are fairly easy to measure such as frequency of leaving the program and/or sustained participation. But given the dual aim of proving and improving programs, the AIMS-SEEP team felt that managers and staff of microfinance programs would want to maximize their understanding about how their clients are reacting to the program's policies and services. Seeking the opinions of clients themselves is perhaps the best way to get this information. In so doing, this tool serves as a reality check to determine if the program is indeed meeting clients' needs. And if it is not, the tool will help identify what specific aspects are not working as well as they could. Program managers have been surprised by what they have learned from this tool: Some have found that staff are not following stated program procedures; others have learned that the program's training has not been effective; one program was surprised to hear clients asking for more contact with program staff.

7.3 Using the Client Satisfaction Tool: A Focus Group Interview

This tool asks clients to consider what they like and don’t like about the lending program of the organization, and offers them an opportunity to voice their suggestions for improving it. (See the cautionary note in Figure 7-1.) The method for implementing the Client Satisfaction Tool follows a traditional focus group format. This method focuses on identifying what clients like and dislike about each element or feature of the lending methodology. Participants are each given a card with one program element written on it. In turn, each participant describes the element as currently practiced, comments on what she likes about it, and makes a suggestion for how to improve it. Then the discussion of this element is opened to comments from the whole group. The focus group method outlined here includes an optional voting process on program likes and dislikes. The guidelines below include step-by-step instructions for selecting focus group participants, preparing for the focus group interviews, conducting the interviews and analyzing the data.

The key to a successful focus group interview is the management of the group discussion. An interviewer must be able to do the following:

- Make clients feel comfortable in voicing their opinions in a group environment;
- Get everyone to participate;
- Keep the discussion flowing; and
- Obtain the information needed in a limited time.
Cautionary Note

Going to clients and asking their opinion about how to improve the program can raise expectations that their suggested changes will be made. In some instances, clients have complained that their suggestions are never taken seriously and such discussions are therefore a waste of time. Yet, credit methodologies, program policies and operational procedures are often based on a variety of factors that clients do not always know about or understand, such as risk management and cost control. In other words, program managers may have very good reasons for NOT adopting changes suggested by clients. If this is the case, the evaluation team should be prepared to explain that the information will be helpful to management even if it is not possible to make all of the changes that clients request. One group in Peru avoided raising expectations by introducing the exercise as an advisory session during which clients were asked to offer advice for a new program starting in another part of the country.

A second note of caution regards staff behavior during this focus group discussion. During field tests, the staff has had a tendency to intervene and defend program policies in the face of client criticism. This interrupts the process and should not happen; to avoid it, interviewers must be coached before the interview and observed during the interview.

7.4 Select the Sample

This tool seeks information on client satisfaction with specific aspects of the program that can help management determine what changes, if any, should be made. Because the data collected can directly affect the entire lending program, it is important to talk to clients who represent the program population. There is no standard number of groups or percentage of the client population that should be interviewed. You should hold focus group discussions until no new information is gained. Figure 7.2 provides sample sizes for this tool from three impact assessments conducted in 2000.

As with any sample, you must choose the client characteristics that you feel are most important in defining it. Is it important to have both men and women, rural and urban clients represented? Your organization may wish to compare/contrast client satisfaction in different geographic locations, with those under the supervision of different branch offices, with clients engaged in different types of businesses (for example, manufacturers vs. traders vs. service providers). After choosing these characteristics, select individual clients or groups that represent those categories.

The second challenge in designing your selection of focus groups is composing the groups themselves. You can either invite different individuals to form special groups for the purpose of this evaluation, or you can interview existing peer groups.
If applying this tool to an individual lending program, you have to invite individuals to join groups. Focus groups work best if their participants (1) have specific knowledge about the topic to be discussed; (2) feel comfortable in sharing that knowledge in a small group setting; (3) can engage in a discussion on aspects of this knowledge, and (4) can demonstrate mutual respect in allowing others to speak. “Qualified” group participants should be clients who have these qualities, as well as those who are representatives of a sub-population of clients (for example, rural vs. urban, male vs. female, and group lending vs. individual lending).

For impact assessments of group lending programs, existing solidarity groups or village banks can become a focus group. As with individuals, the groups you choose to include should be identified by the characteristics you want to learn about as well as by (1) geographic distribution; (2) industry distribution, if all members of a group participate in the same industry; (3) repayment status; and (4) relationship with loan officer. For instance, having chosen a group with a high arrears rate, you might learn that members dislike the infrequency of visits by the loan officer. By using probing questions during the discussion, you may find out that, feeling neglected, group members are less committed to consistent loan payments.

<table>
<thead>
<tr>
<th>Organization</th>
<th>Location</th>
<th>Selection Criteria</th>
<th>Number of Focus Groups</th>
<th>Total number of clients</th>
<th>Avg. number of clients/group</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASHI Philippines</td>
<td>Luzon</td>
<td>Geographic: ● Rural ● Semi-urban ● Island</td>
<td>11</td>
<td>214</td>
<td>19</td>
</tr>
<tr>
<td>FINCA/Peru Lima, Peru</td>
<td>District of residence (to represent all areas of prog. operation) Time in program (new &amp; mature clients)</td>
<td>13</td>
<td>192</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>Foundation 4i-2000</td>
<td>Nicaragua (Masaya, Grenada) Areas of program operation Rural clients</td>
<td>12</td>
<td>120</td>
<td>10</td>
<td></td>
</tr>
</tbody>
</table>
7.5 Preparing for the Interview  

**Step P - 1: Get To Know the Program Methodology**

You must be very knowledgeable about the different financial and non-financial services offered by the organization. As users of these services, clients may identify any aspect of the program with which they are dissatisfied and you should understand what they are talking about. If you are familiar with all aspects of the products, services and methodologies for delivering them, you can be quick to respond to clients with valuable follow-up questions during the focus group interview.

In those programs offering multiple loan products, it is possible that loan officers working with one product will be assigned to interview clients using a different product. In such cases, staff will have to thoroughly learn the “other” product. For instance, if group lending includes products such as savings or insurance, or fees for infractions of group rules, you must be prepared to talk about these topics if they arise in the discussion. Similarly, if an individual lending program requires a client to write post-dated checks to make repayment, you must understand this system even if it is not used in the program’s group lending component. You the interviewer must be prepared to explain any differences in the way the program is implemented from one group or individual to another—what they are and why they exist.

**Step P - 2: Get To Know Each Sub-Population of Clients To Be Interviewed**

You will also find it helpful to know each sub-population selected for the interview. If, for example, you are interviewing a group of rural villagers, you should find out if they have difficulties repaying their loans due to the timing of the agricultural cycle. Similarly, a group of manufacturers must purchase raw materials, manufacture their product, market it and wait for payment before they can repay their loans. The delay built into this type of business cycle might lead them to request a grace period.
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Step P - 3: Make Logistical Arrangements To Conduct the Focus Group Interview

If the entire membership of a village bank or solidarity group has been chosen to participate in a focus group, arrange to conduct the interview during a time when they normally meet. You should explain the goal of the activity to the group leader and mention that the meeting may take longer than their normal meetings do. The leader can then inform the group members in advance to plan for a slightly longer group meeting.

If arranging focus groups composed of either individual loan clients or individuals selected from different borrower groups, you must do the following:

• Issue invitations and clearly communicate what is expected of participants;
• Find a time that is acceptable to the majority of selected clients;
• Arrange for a meeting place and transportation to that place; and
• Plan to offer refreshments and/or other incentives. (For example, pay the cost of transport to the meeting place if clients are coming for an extra meeting. Either give the village bank leaders money to purchase refreshments, or bring them with you.)

Step P - 4: Select the Program Elements That You Want Clients to Discuss and Prepare

Program managers should select those program elements for which client feedback will be most useful. In order to keep the meeting to a reasonable length, limit the number of elements to be discussed. Experience with this tool indicates that six to eight elements should be the maximum. Plan out how the interview will be conducted and prepare some probing questions (to serve as a resource in case you cannot think of anything). Work with the person who will accompany you to serve as recorder, making sure s/he understands what information is to be recorded and how. Finally, practice using the tool with a simulated focus group, as described in the training exercises in Appendix 7.1 located on the CD accompanying this manual.
7.6 Interviewing Clients using a Focus Group Method

**Step I - 1: Introduce the Session**

Introduce yourself and the recorder to the group and ask participants to introduce themselves. Explain that the purpose of this session is to seek clients’ opinions on what they like and dislike about the program. Explain that this information will help others design better lending programs in the future. Assure everyone that their names will not be attached to the points they raise and that the discussion today will in no way affect clients’ ability to participate in the program.

**Step I - 2: Warm Up**

To get the clients accustomed to discussing what they like and dislike about the program, begin with a discussion of some other aspect of their life, something very familiar. For each topic, ask what they like and what they dislike. Work with your team to think up good topics for this warm-up exercise. Suggested topics are the following:

- Sundays;
- Soccer matches;
- Market day in their town; or
- School holidays.

**Step I - 3: Define the Topics for Discussion**

Give each group participant a pre-made card that has on it the name and/or a symbol for one program element, such as interest rate, loan term, loan amount, repayment frequency, training, or supervision by promoters. If the group is large, more than one person may have a card with the same element on it.

**Note**: The items put on the cards and listed in the “Client Satisfaction Reporting Matrix” should be determined by the program manager in accordance with the program being evaluated. It is expected that these items will vary by program and by organization. This list should be limited to 6-8 elements. Otherwise the focus group discussion will be too long.
Show a flip chart with all these program aspects listed (along with the corresponding symbols if they are used) and review each item with the group to make sure everyone understands the meaning of the aspects to be discussed. The recorder or another client should be assigned to help those participants who have difficulty reading.

**Step I - 4: Describe Program Elements**

Starting with the first program element on the list, the interviewer should then ask the person who has this element on his or her card to describe for everyone how that element operates in the present program. Invite other participants with the same card to contribute to explaining the program element as may be necessary to complete the description of its specific features.

**Step I - 5: Determine Likes, Dislikes, and Recommendations for Improvement**

Display a flip chart with five columns labeled as follows:

- Program Element;
- Like About Element;
- Dislike About Element;
- Recommended Changes; and
- Why?

You will probably need one flip chart for each program feature. (In addition to the flip chart process, the recorder should be documenting the group’s recommendations and comments using the Client Satisfaction Reporting Matrix. If the flip chart option is not available, the recorder must be sure to write down everything that is said, and provide feedback to the group by reading what s/he has written to confirm its accuracy.)

Ask the cardholder to indicate whether there are any aspects of this program feature that s/he likes, and if so, to identify what these are. The recorder should list these “likes” in the appropriate column on the flip chart for all to see. If another person has the same card, ask that person the same question.
Next, ask the cardholder how this program feature could be improved and why. Write her response on the appropriate column on the flip chart. Invite those with the same feature on their cards to add their comments. Open the discussion about this feature to the rest of the group.

**Ask:** Does everyone agree with this suggestion? Does anyone have a different idea?

Continue with the same process for each card distributed and until all program features on the list have been presented and discussed.

**Step I - 6: Take a Break!**

After an hour, stop the discussion and take a break. Clients may need to attend to children or visit the bathroom. Offer refreshments at this time.

**Step I - 7: Summarize**

After everyone has finished, summarize the conclusions for the group as you have heard them. Ask if anything was left out of the summary. Then thank participants for their time. Affirm that their opinions are important to the program and will be taken into consideration by the program managers as they consider how they can make the program more client-focused and improve its services.

**OPTION: Focus Group with a Nominal Group Voting Process**

The nominal group voting process in this tool is an optional step to determine how many people agree with the recommendations for change identified in the focus group discussion. (See the cautionary note in Figure 7-3.) Because the information gathered during these focus group discussions can influence program adjustments, management may want to know exactly how many of each client group want the changes to take place. Whether or not you use the voting process explained here will depend on how important this numerical count is to program management.
Conducting a voting process in a group context can be tricky. Because of the nature of group interaction, certain clients often emerge as “opinion leaders” and the rest, the followers, will agree with what the leaders say and vote accordingly. It is very important to convince clients that they are free to contribute to the discussion and NOT simply follow what someone else in the group does. In addition, people often hesitate to be negative.

**Step 1: Conduct the Focus Group Interview**

Conduct the same focus group discussion described above, but explain that at the end of the discussion, participants will vote for the program changes they want. Stress that all must vote individually without regard to what others in the group might say.

**Step 2: Vote**

After the likes, dislikes, and recommendations have been recorded, conduct a vote on each of the recommendations for change. You can do this at either of the following two junctures:

- After each recommendation has been identified; or
- After all recommendations have been identified.

If you choose the latter, you might give clients a minute to consider whether they want to add any other recommendations. Write any new ones on the flip chart list. When everyone is satisfied that the list is complete, ask participants to review it and pick those they really agree with. Two voting procedures are explained below:

**After each recommendation has been identified**

Pass out two cards to each participant. Cards should be coded with either numbers (“0” for disagree and “1” for “agree”) or colors (for example, green for “agree” and red for “disagree”). Tell clients that if they agree with this recommendation, they should hold up the “agree” card; if they do NOT agree with the recommendation, they should hold up the card with the “disagree” card (as identified by either a color or number).

Explain the following three requirements for voting:
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- For each recommendation, they can only vote one way and hold up only one card;
- When voting, no one is allowed to look at another person’s cards, so all eyes must be focused up front; and
- Counting the votes is necessary for management to understand the strength of the responses.

Read aloud one program/practice recommendation and ask everyone to vote by showing the appropriate agree/disagree card.

The recorder counts the votes, and records them in the last column of the Client Satisfaction Reporting Matrix.

**After all recommendations have been identified**

Another way to vote is by writing all recommendations on a board or flip chart. Ask participants to come forward and mark those with which they agree. Alternatively, they can pick their top three priorities from the list and mark each accordingly with numbers (1, 2, 3) to indicate their order of priority.

It is possible that all clients feel very comfortable with each other and would be able to vote independently by a show of hands. While this less anonymous method of voting may work in certain cultural settings, in others it is possible that an “opinion leader” may set the tone and expect others to vote in the same way.

Another alternative to voting by show of hands is to post a list of the suggested program changes and ask participants to check those with which they agree; this process is less personal, more anonymous.
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7.7 Analyzing the Data (A)

The data analysis process recommended for this research entails the following four main steps, listed and explained below: (1) transcribe all data from the individual matrices to the Summary of Client Satisfaction Reporting Matrices, (2) study the summary matrices and tally the results, (3) write the analysis, and (4) share the findings.

Step A - 1: Transcribe All Data from the Individual Matrices to the Summary of Client Satisfaction Reporting Matrices

At the end of each day, or right after returning from the interviews, transcribe all the information gathered on the individual matrix onto the Summary of Client Satisfaction Reporting Matrices. (See the example in Figure 7-4.) The facilitator and the recorder should work together on this task and should be able to attribute specific likes/dislikes and recommendations to a particular group. Having every group’s comments on each of the program aspects covered during the focus group sessions will be helpful in writing up the findings.

Step A - 2: Study the Summary of Client Satisfaction Reporting Matrices and Tally the Results

Look at how all of the groups reacted to each program feature. List all the specific “likes” and “dislikes” from all groups on the Summary of Client Satisfaction Reporting Matrices and tally the number of groups that cited each one. The examples in Figures 7-5 and 7-6 show how this information can be summarized and reported.
### Figure 7-4.
**Summary of Client Satisfaction Reporting Matrices**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency of Meetings</td>
<td>Liked current spacing</td>
<td>3 (2,4,5)</td>
<td>Thought meetings were too frequent</td>
<td>Change frequency to every 2 mos.</td>
<td>Allow for smaller weekly loan repayment</td>
<td>3 (1,3,6)</td>
</tr>
<tr>
<td>Supervision</td>
<td>Frequency</td>
<td>2 (2,5)</td>
<td>Visits not frequent enough</td>
<td>More support and training is needed</td>
<td></td>
<td>4 (1,3,4,6)</td>
</tr>
<tr>
<td>Loan Amounts</td>
<td>Amounts currently given</td>
<td>4 (1,2,5,6)</td>
<td>Amounts too small</td>
<td>Increase size of maximum loan</td>
<td>Able to use larger amounts than the ceiling amounts set for each loan cycle</td>
<td>2 (3,4)</td>
</tr>
<tr>
<td>Training</td>
<td>Frequency and topics</td>
<td>3 (3,4,6)</td>
<td>Too infrequent, topics not comprehensible enough</td>
<td>More diversity in training topics</td>
<td>Current training does not meet clients’ needs</td>
<td>3 (1,2,5)</td>
</tr>
<tr>
<td>Interest Rates</td>
<td>Approved of current level</td>
<td>2 (1,2)</td>
<td>Too high</td>
<td>Lower rate</td>
<td>Difficulty in paying loan</td>
<td>4 (3,4,5,6)</td>
</tr>
<tr>
<td>Savings</td>
<td>Forced savings component</td>
<td>4 (2,4,5,6)</td>
<td>Amount of forced savings too high</td>
<td>Lower amount</td>
<td>Funds not accessible</td>
<td>2 (1,3)</td>
</tr>
</tbody>
</table>
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**Figure 7-5. Summarizing and Reporting Likes/Dislikes**

<table>
<thead>
<tr>
<th></th>
<th>Liked</th>
<th>Disliked</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal rules of the program</td>
<td>83 percent (5 of 6 groups)</td>
<td>Current low level of loan supervision (too low)</td>
</tr>
<tr>
<td>Monthly meetings of village banks</td>
<td>50 percent (3 of 6 groups)</td>
<td>Current high interest rates (too high)</td>
</tr>
<tr>
<td>Current method of client selection</td>
<td>67 percent (4 of 6 groups)</td>
<td>Current level and content of training</td>
</tr>
<tr>
<td>Loan amounts being given now</td>
<td>67 percent (4 of 6 groups)</td>
<td>Method of payment of the loans</td>
</tr>
<tr>
<td>Way the loans are being disbursed now</td>
<td>50 percent (3 of 6 groups)</td>
<td>Obligatory savings</td>
</tr>
<tr>
<td>Obligatory savings</td>
<td>67 percent (4 of 6 groups)</td>
<td></td>
</tr>
</tbody>
</table>

**Note:** This chart only summarizes what clients actually mentioned in the focus group. Don’t assume that remaining clients felt the opposite. (e.g., you can’t assume that because 83% of the groups liked internal rules of the program, 17% did not like those rules.)

Now analyze which groups “liked” or “disliked” a program feature:

- What do they have in common?
- Do the same groups tend to like and dislike the same program features? Are their reasons for disliking a feature similar, or different? Are their recommendations similar?
- If a majority makes the same recommendation, what does that tell you about how clients are reacting to the program?
- What stories did you hear during the focus group discussion that can strengthen your finding?

**Figure 7-6. Client Satisfaction in Mali**

Finding: Clients appreciated Kafo’s flexibility in setting meeting schedules based on clients’ desires.

All six focus groups reported their satisfaction with the frequency of their credit association meetings. In response to members’ requests, Kafo Jiginiew has been flexible about the frequency of meetings which varies according to the season and clients’ recommendations.

By grouping client stories to illustrate the strength or weakness of a finding, comparing client responses in different categories, and grouping clients with similar characteristics, you can determine whether specific likes or dislikes are held by most clients or by only one type of group. If it is the latter, try to identify which characteristics of this particular group explain its unique reaction.
Step A - 3: Write the Analysis

Write the analysis in narrative form. As much as possible, use direct quotes and anecdotes from clients. (See the example in Figure 7-7.)

![Figure 7-7. Client Responses and Recommendations for ASHI on its Group Fund](image)

ASHI clients make a mandatory, weekly deposit into the Group Fund Savings, which are then available for loans to members on a limited basis. Client feedback on this program element is as follows:

Dissatisfaction with the Group Fund Savings is focused on the policy that allows only one member to borrow from the fund at a time. A second borrower has to wait until at least 60% of the first loan has been repaid. Clients say that this policy defeats the emergency purpose for which the fund was set up. Furthermore, loans are limited to medical expenses, and a doctor's prescription must first be presented before funds can be released. Yet, clients claim that they don't have the money to go to the doctor first to obtain the required prescription. Clients also complain that limiting the fund's usage to medical emergencies ignores other immediate family or business needs. Finally, when larger amounts are needed (Ps. 1,000 or more), it takes too long to get the money, especially when they are faced with an emergency. This is why, clients explain, they tend to borrow only up to Ps. 900 (Data from the Use of Loans, Profits and Savings Over Time Tool confirmed this trend).

**Recommendations:**
- Allow more than one to borrow at a time, especially in the case of emergency.
- Allow loans from the Group Funds Savings to be used for other immediate cash needs.
- Do not require a doctor's prescription, medical certificate, or receipts of medicines purchased prior to loan disbursal.
- Streamline the process of loan approval and disbursement for loans over Ps.1,000.


Step A - 4: Share the Findings

It is important to have at least one other person, but preferably two other people, read through your findings to verify that others agree with you and to ensure that nothing is left out.
Chapter 7

7.8 Scheduling

Using the Client Satisfaction Tool involves tasks in the three phases explained above: (1) Preparing for data collection, (2) Interviewing clients (data collection), and (3) Analyzing data. The approximate amount of time required for each task is offered in Figure 7-8. This example is based on 12 focus groups with 10 participants each for a total of 120 clients. (Generally, a village bank has between 20 and 35 members. Ten members are selected from each bank to be part of the focus group.) Two interviewers (one person to facilitate and one to record) conduct two focus groups per day for a total of twelve in six days. The whole process requires about three weeks. People with some university training make better qualitative interviewers for this tool because of the skill requirements for leading a group interview, recording a large amount of information, and consolidating that information from multiple groups.

<table>
<thead>
<tr>
<th>Figure 7-8</th>
<th>Applying the Tool: Tasks and Time Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tasks</td>
<td>Time</td>
</tr>
<tr>
<td>Preparation</td>
<td></td>
</tr>
<tr>
<td>• Decide objectives and goals for tool.</td>
<td>.5 day</td>
</tr>
<tr>
<td>• Select 6-10 program characteristics for the clients to evaluate.</td>
<td></td>
</tr>
<tr>
<td>• Decide on which types of clients to interview.</td>
<td></td>
</tr>
<tr>
<td>Train interviewers.</td>
<td>1 day</td>
</tr>
</tbody>
</table>
| Prepare materials |      | Trainer & interviewers | Flip chart paper and markers  
Set of cards - Two cards for each feature to be evaluated x 12 focus groups.  
Colored Cards - (one color for yes and one for no) for nominal vote. |
| Field test the tool twice in a long morning. Debrief in the afternoon. | 1 day | Team of two: one facilitator and one recorder. | The trainer could attend as an observer.  
The tests will indicate how long the interview takes and give the interviewers practice and confidence. |
### Figure 7-8
Applying the Tool: Tasks and Time Required

<table>
<thead>
<tr>
<th>Tasks</th>
<th>Time</th>
<th>Personnel</th>
<th>Observations</th>
</tr>
</thead>
</table>
| Select the sample of 12 banks and 10 persons from each to participate in focus groups. | 0.5 day | Trainer and one staff  
Or  
Manager | Use members' bank records to help select the individuals who will be invited to join the focus group. |
| Complete Information Form for each communal bank in the sample | 1 day | The interview team(s) | Each bank form takes one hour to complete—requires 12 hours total. A team of two can complete in 6 hours. |
| Schedule the interviews with focus groups; Plan for logistical needs (e.g., transport). | 1 day | Two interviewers, or normal staff with advice from trainer/consultant | Team can conduct two focus groups per day (morning and afternoon), allowing time for travel & write-ups. Plan time for traveling the distance between the client's location and the office, as well as between groups. |

### Client Interviews (Data collection)

| Conduct focus group interviews. Review notes and write in additional information. | 6 days for 12 focus groups (90 to 120 min each) | 2 interviewers  
1 quality control in office | Save time by having a secretary type up the field notes into the matrix while the interviewers are still in the field so that they can review quickly and add information taken from interview tapes.  
Review field notes at end of each day. |

### Data Analysis

| Complete single matrix per focus group; Create summary matrix for the 12 focus groups. | 1.5 days | 2 interviewers;  
1 quality control person | Do this as close to the actual interviews as possible, preferably at the end of each day of interviewing.  
Faster to review what typist has done in transcribing to matrix in MS Word |
| Create data tables. | 1.5 days | 2 interviewers  
1 person to review work | Compare suggestions for changes to current practices. |
| Analyze data for patterns, trends, themes. | 1.0 day | 2 interviewers with one supervisor |  |
| Write report. | 1.5 days | 2 interviewers & one supervisor | If interviewers are not comfortable writing narrative, delegate report to supervisor. |
| **TOTAL DAYS** | **16.5 days (done in 3 weeks)** | For each of two interviewers and supervisor |  |
The following appendices provide useful information to complement the material in the chapter. Many documents were developed in the field and may make the field work in AIMS-SEEP types of evaluations much easier for you.

These appendices are located on the CD-Rom inside the folder, “Manual - Chapter 7.”

<table>
<thead>
<tr>
<th>Appendix Number</th>
<th>Document Title Description</th>
<th># of Pages</th>
<th>Filename</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1</td>
<td>Training Clients to Use the Client Satisfaction Tool; This document presents several training exercises that the evaluation supervisors or team leaders can use to train staff in applying the Client Satisfaction Tool. Each exercise corresponds to one of the focus group methods outlined in the chapter; consequently, your choice of method will determine which of the training exercises is relevant for your team.</td>
<td>8</td>
<td>App. 7.1 – Client Sat. Training.doc</td>
</tr>
<tr>
<td>7.2</td>
<td>Client Satisfaction Reporting Matrix; An example of a completed Client Satisfaction Reporting Matrix from ASHI IA 2000.</td>
<td>5</td>
<td>App. 7.2 - Client Satisf Reporting Matrix-Sapang.doc</td>
</tr>
</tbody>
</table>
Chapter 8

Tool 5: Client Empowerment

8.1 The Client Empowerment Tool
8.2 Why the Client Empowerment Tool was Developed
8.3 Three Methods for Implementing the Client Empowerment Tool
8.4 Selecting the Sample
8.5 Preparing for the Interviews: Step by Step
8.6 Analyzing the Data
8.7 Scheduling
8.8 Guide to Appendices on CD
Chapter 8

8.1 Client Empowerment

Type of tool:
Qualitative

Overview:
The Client Empowerment tool is an in-depth individual interview designed for women clients who have participated in the program for more than two years. During the interview, the client is asked to identify differences in her behavior in the past and the present.

Hypotheses tested by this tool:
Individual level:
- Clients’ increased control of economic resources
- Clients’ increased self-esteem and confidence
- Increased role in decision-making
- Increased ability to negotiate with others

Purpose:
The purpose of The Client Empowerment Tool is to:
- Determine if clients have grown more confident and gained more self-esteem while participating in the program; and
- Identify how those qualities have translated into specific changes in behavior that demonstrate empowerment.

Amount of time required to administer this tool:
60 to 120 minutes (1 to 2 hours)

Source:
Original version: Nancy Horn, Friend of SEEP
Revisions: Carter Garber and ASHI staff
Chapter 8

Menu of Categorical Questions

View this menu as a list of suggested questions to ask during the interview. For each level, choose two or three questions based on the information your organization wants to obtain. Do NOT attempt to cover all of them. To identify a pattern of change, ask the selected questions twice: once for the past and again for the present. Here, the questions address a client’s actions in the past. For the present, BE SURE to change the verb tenses!

Individual
- What kind of person did you used to be?
- If I had been with you before you joined the program, what would I have seen you doing?
- How did you feel about yourself before joining the program?
- What kinds of dreams/goals did you have for you life?
- What types of actions did you take/NOT take to fulfill those dreams/goals?
- When you left your home, how did you look at the world? (as a set of problems, a set of opportunities, or a set of challenges you could overcome)
- As you moved around the community, what did people say about you?

Business
- Did you have a business before joining the program? If so, please explain.
- What kind of person did you used to be in your business?
- If I had been with you before joining the program, what would I have seen you doing in your business?
- How did you manage the business?
- How did you feel about yourself as a business operator/manager? About how your business was doing? Why?
- What kinds of dreams/goals did you have for your business?
- What kinds of decisions did you make/NOT make about your business? What types of decisions were difficult for you? What kinds of decisions did you defer to other people? Why?
- What kinds of obstacles or constraints did you see to operating this business successfully? What were they? Did you overcome them? How?
- What did your customers say about you?

Family/Household
- What kind of person were you in your family/household?
- If I had been with you before joining the program, what would I have seen you doing in your family/household?
- How did you feel about yourself as a member of the family/household? About how your family/household was doing?
- What kinds of dreams/goals did you have for your family/household?
- What kinds of problems did you have in your family/household?
- What kinds of decisions did you make/NOT make about your family/household? What types of decisions did you defer to other members of the household?
- What did your family/household members say about you?

Community
- What kind of person were you in the community?
- If I had been with you before joining the program, what would I have seen you doing in the community?
- What types of relationship did you have in your community? Who were the most significant people you related to?
- How did you feel about yourself as a member of the community?
- Before joining the program, what activities did you participate in within the community?
- What kinds of problems/constraints did you observe in your community?
- How did you try to resolve these problems/constraints?
### Intent of Categorical Questions

Each question from the Menu of Categorical Questions has a particular intent. This chart explains the intent of selected questions from that menu.

<table>
<thead>
<tr>
<th>Past</th>
<th>Question</th>
<th>Intent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Individual</strong></td>
<td>If I had been with you before you joined the program, what would I have seen you doing?</td>
<td>To obtain a sense of how the client led her life— if she was joyful or sorrowful, active or passive, fully engaged or withdrawn, opportunistic or lethargic.</td>
</tr>
<tr>
<td></td>
<td>How did you feel about yourself before joining the program?</td>
<td>To understand the client’s level of self-esteem and self-confidence.</td>
</tr>
<tr>
<td></td>
<td>What types of dreams or goals did you have for your life?</td>
<td>To determine if the client had any personal dreams about her own self-improvement or desires for the future.</td>
</tr>
<tr>
<td><strong>Business</strong></td>
<td>Did you have a business before joining the program? If so, please explain.</td>
<td>To determine if the client had a business or several businesses and what types of businesses they were.</td>
</tr>
<tr>
<td></td>
<td>What types of dreams or goals did you have for your business?</td>
<td>Assuming the answer is positive, this question seeks to determine if the client had any desires to grow her business in a certain way.</td>
</tr>
<tr>
<td></td>
<td>What types of decisions did you make about your business? What types of decisions were difficult for you? What types were made by other family members?</td>
<td>To determine whether the client had the self-confidence or freedom to make her own decisions.</td>
</tr>
<tr>
<td></td>
<td>How did you manage or run your business before joining the program?</td>
<td>To determine how entrepreneurial the client was, what her skill level was, and how much risk she felt confident to take.</td>
</tr>
<tr>
<td></td>
<td>Were there any obstacles that you faced in operating the business? What were they? Did you overcome them? How?</td>
<td>To determine what strategies a client used to overcome hardship (any obstacles to operating the business smoothly).</td>
</tr>
<tr>
<td><strong>Family/Household</strong></td>
<td>How did you feel about yourself as a family member (in your household)?</td>
<td>To identify whether any subordination of females occurred in the family and determine whether a client felt respected as a contributing member of the family.</td>
</tr>
<tr>
<td></td>
<td>What types of dreams or goals did you have for your family or household?</td>
<td>To determine if the client had any desires (such as to own a dream house, own land, send children to school or university) for members of her family.</td>
</tr>
<tr>
<td></td>
<td>What types of decisions did you make about your family or household? What types of decisions did you defer to others in the household?</td>
<td>To determine the type of family decisions the client made on her own and which ones she shared with others.</td>
</tr>
<tr>
<td><strong>Community</strong></td>
<td>What type of relationships did you have in your community? Who were the most significant people you related to?</td>
<td>To determine how a client related to her neighbors and other community members and who some of the most important people were in her interactions.</td>
</tr>
<tr>
<td></td>
<td>Before joining the program, what roles did you have or activities did you participate in within the community?</td>
<td>To determine how active a client was in the community and whether she participated in community events, political parties, or social groups.</td>
</tr>
<tr>
<td></td>
<td>What types of problems and obstacles did you observe in your community?</td>
<td>To determine how perceptive to community concerns a client was and whether she identified those concerns with her own.</td>
</tr>
<tr>
<td></td>
<td>In what ways did you try to resolve these problems and obstacles?</td>
<td>To determine whether a client joined a group to solve the problem, or if she took any action that would seek to improve the community.</td>
</tr>
</tbody>
</table>
Components of Empowerment Portrait Summary

This summary matrix is simply constructed: For each time period, the categorical questions are noted with room to write the client’s responses to these questions, as well as her answers to any follow-up probing questions you ask. This example shows the parts of the matrix condensed to fit on one page. An actual working matrix will occupy several pages, with one or two questions per page.

<table>
<thead>
<tr>
<th>Past</th>
<th>Present</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Categorical Questions</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Individual</strong></td>
<td></td>
</tr>
<tr>
<td>Q. #</td>
<td>Q. #</td>
</tr>
<tr>
<td>Q. #</td>
<td>Q. #</td>
</tr>
<tr>
<td><strong>Business</strong></td>
<td></td>
</tr>
<tr>
<td>Q. #</td>
<td>Q. #</td>
</tr>
<tr>
<td><strong>Family/Household</strong></td>
<td></td>
</tr>
<tr>
<td>Q. #</td>
<td>Q. #</td>
</tr>
<tr>
<td>Q. #</td>
<td>Q. #</td>
</tr>
<tr>
<td><strong>Community</strong></td>
<td></td>
</tr>
<tr>
<td>Q. #</td>
<td>Q. #</td>
</tr>
<tr>
<td>Q. #</td>
<td>Q. #</td>
</tr>
</tbody>
</table>
Chapter 8

8.2 Why the Client Empowerment Tool Was Developed

Empowering the poor—to set goals, organize themselves and make decisions about their lives and communities—is a key part of alleviating poverty. While all disenfranchised groups face cultural, psychological and economic barriers to those resources that would enable them to gain control over their lives, microcredit has historically served more women than any other subset of the population. Microcredit is often given “credit” for empowering women. The assumption, supported by stories from all corners of the globe, is that participation in peer borrower groups and access to credit enables women to build a financial base of their own, enhance their skills, access peer support and gain social recognition. These experiences build confidence that “empowers” women to move forward in other aspects of their lives. Both the financial and social elements of microcredit methodologies are thought to contribute to this very important, but sometimes intangible concept of empowerment. Hence this Client Empowerment Tool was developed with women clients in mind, but it can easily be adapted for use with other groups as well.

Empowerment is a difficult concept to define, to communicate and to measure. Its definition will change in different cultures. To grasp this concept, it is helpful to think about the idea of “power” and the various forms it takes. Often “power” is negatively associated with control over others, winners and losers, and coming out on top. Yet power can also come from within a person in the form of self-confidence, faith, and courage; it can also derive from working with others to achieve more collectively than could be done separately. Viewing power “within”, and “with” leads to a better grasp of empowerment as the strength that enables women (and other disenfranchised) to venture beyond traditional boundaries, learn new skills, make decisions and take action.

This in-depth interview helps to identify ways in which clients feel and manifest empowerment as a result of their participation in the program. Evaluators seek to understand

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Figure 8-1
Empowerment “with” Others

In one community in Colombia, a Women’s Opportunity Fund sponsored Trust Bank mobilized the community to bring electricity in from the main line. Members of another Trust Bank established a reforestation program in their village. If women are part of a group lending methodology, their empowerment may be evident not only in their own behaviors and self-esteem, but also in group behavior, where strength comes from working together.
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if and how participation in a microfinance program has produced internal changes in clients’ self-perception and confidence that can be measured by their external behavior. The technique concentrates on outward manifestations or concrete demonstrations of empowerment as seen in behavior changes in the individual, household, community or enterprise. The focus on behavior rather than attitudes is rooted in the hypothesis that those who have been empowered through program participation will make decisions differently and take greater risks.

Which specific behavior changes point to empowerment will depend on the context and client group. Although they will vary widely, some examples that demonstrate an increase in self-esteem and self-confidence include the following:

- Risk-taking behaviors (doing things the client has not done before);
- Making decisions (that were made formerly by others);
- Participating in new activities (which were not a part of the client’s behavior or daily routine before);
- A shift in family relationships and responsibilities (which might signal more independence or a shift in household responsibilities);
- Developing a vision for change (e.g., changing a product line in the business, planning for a new business, setting a goal for a child’s education, etc.);
- Exercising more control over financial resources;
- Greater mobility;
- Speaking up for oneself, expressing opinions.

Translating these behaviors into measurable indicators has been challenging for those learning this tool. Remember, indicators should measure something; what they measure must be meaningful and related to the question at hand. Figure 8-2 provides examples of good and bad indicators for empowerment. Ask yourself why the “bad” indicators don’t measure empowerment.

Empowerment indicators are very sensitive to culture. Evaluators in India found that “decision-making” was not important to clients who preferred to leave financial decisions to
those with more knowledge and wider experience. Furthermore, given girls' very young age at marriage, it might be unrealistic to expect them to wield much decision-making power, even if they are borrowing clients. In the Ivory Coast, in contrast, evaluators tested several empowerment indicators and found that the questions about decision-making and control over resources produced the most significant data.

To find the best indicators for empowerment in your setting, you may choose to convene a focus group of key women leaders or representatives in your area to define empowerment and identify indicators to measure it.

When assessing empowerment, the issue of attribution is also challenging. While it may be relatively easy to identify changes in behavior, it is much harder to know whether they resulted from program participation. We accept how the client attributes the changes in her behavior as she describes herself in the past (before joining the program) and now (as a participant in the program). Well-formulated probing questions can help determine what else is occurring in the client’s life that may also produce changes in self-perception.

8.3 Three Methods for Implementing the Client Empowerment Tool

The three methods described below all involve in-depth interviews. In the first one, the client draws self-portraits (past and present) as a way to initiate the discussion about changes she has experienced over time. During the course of the discussion, the researcher gathers information about how the client has been empowered personally, in her family, in her community, and in her businesses. By asking categorical and probing questions about the portraits the client has drawn, the interviewer can determine how a client has been empowered over time and the extent to which this change can be attributed to the program. The second method is a variation of the first. Instead of meeting one-on-one with a client, facilitators meet small groups of four clients who draw pictures, present them to the group, and discuss them. The third method relies on a direct, one-on-one interview during which the interviewer asks the client a number of categorical questions about herself in the past and present. For all three methods, it is best to have a facilitator to ask questions and a recorder to write down the responses.
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This tool is very personal and intense. It gets closer to clients’ thoughts and emotions than any of the other tools. Whichever method you choose, be prepared to listen to and receive emotional, and at times intimate, information.

**Method 1: Drawing Self-Portraits**

**Step 1: Introduce**

Introduce yourself to the client and explain the purpose of the interview. Explain that you are interested in learning how the client has changed over the past year. Tell the client that you will be asking about the specific changes that have taken place in each of the following four areas: for her, personally, within her family, in the business, and in the community. Make it clear that you do not need to know anything about money, per se, but rather, if and how the client behaves differently now than she did in the past.

**Step 2: Warm Up**

Some clients may have trouble identifying the period in time that constitutes “past”. Together with each client, you might want to identify major events in her life that occurred before she joined the program such as her marriage, the birth of a child, or a move that will help her situate herself in the appropriate time.

Begin the conversation with a warm-up question such “Do you think you have changed in the last 12 months? In what ways?”

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1 Most people have initially resisted using the drawing method. They don’t feel comfortable with it or are not convinced that clients will feel comfortable drawing. But experience to date shows that this method does facilitate more fluid discussion that yields richer data about the client’s life. Take a risk. Try it!
**Step 3: Give Directions on Drawing**

Explain to the client that pictures can help us to explain different things. For this reason, you will ask her to draw some pictures of herself, either as she actually is or using symbols to portray key features about herself. Give the client a piece of flip chart paper and markers and the following explanation. Then, allow her enough time to think and draw.

Think of yourself before you joined the program (Refer to the markers identified earlier). You can draw a mirror image of yourself if you want, or you can draw a symbol to represent your life. What was it like? How did you feel? What were you doing mostly? Please draw yourself at that time, before you joined the program.

When she has finished this first picture, ask her to draw another portrait of herself today. Again, allow sufficient time for the client to complete the drawing.

**Option:** You might want to prompt the client by giving her some images that will help guide her to that time in the past (or present). For each picture, read the corresponding script, very slowly.

**Part I (past):** Relax and be comfortable. Close your eyes. Think of some time in the past, before joining the program. What picture comes to mind?. See yourself going through a normal day. What are you doing? Are you very busy? (Pause.) Now see yourself with your family. What are you doing? Are your relationships good with your family members? (Pause.) Now see yourself in your community. What are you doing? What makes you feel a part of this community? (Pause.) Now see yourself in your business. What are you doing? Is the business going well? (Pause.) Now, with all these pictures you have in your mind, think of one image of yourself in the past. When you have that image, open your eyes and draw it.

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**Figure 8-3**

A Tip from ASHI

In the Philippines, ASHI staff drew their own self-portraits to show clients what they were being asked to do. These pictures also motivated clients.
Part II (present): Relax and be comfortable. Close your eyes. Think of yourself now. Put yourself in whatever picture has come to mind. See yourself going through a normal day. What are you doing? Are you very busy? (Pause.) Now see yourself with your family. What are you doing? Are your relationships good with your family members? (Pause.) Now see yourself in your community. What are you doing? What makes you feel a part of this community? (Pause.) Now see yourself in your business. What are you doing? How is the business doing? (Pause.) Now, with all these pictures you have in your mind, think of one image of yourself today. When you have that image, open your eyes and draw it.

Step 4: Discuss the Pictures

For each of the pictures the client has drawn (and thus, each time period), make the following four open-ended statements:

- Tell me about this person.
- Tell me about this person in the family.
- Tell me about this person in the business.
- Tell me about this person in the community.

Each of these questions suggests many probing questions to get more information about the clients' behavior with respect to the individual, family, community and business, as well as any changes that occur. Structure the discussion by time frame; that is, start with the past and talk about all aspects of the client’s life then before moving on to the present. When asking probing questions, it is important to ask the same for each domain and for each time frame. This will allow for a comparative analysis later.
As with all the qualitative tools, the probing questions you ask will be linked to and driven by each client’s specific responses. Though it is impossible to provide a ready-made list of probing questions in advance, you will most likely want to know more about how the client describes herself, why she said what she did, how she was feeling, what happened to make her feel that way, etc. Be aware of the need to flush out any information that will help you establish a link (or lack thereof) between the behavior changes the client identifies and her participation in the program. What other situations, such as events, people, and forces, were taking place at the same time?

**Step 5: Record Responses**

Write down everything the client says during the discussion in response to each question you have chosen from the suggested list. For each client, you will probably have at least one page per time period. The same set of questions will be repeated for each time period. When recording responses, use the client’s own words as much as possible. Avoid writing summary statements. Use a tape recorder, if the client agrees.

After the probing questions have been answered and recorded, have the client look at the portraits again. Ask her if she can determine if there is any pattern to the changes implied in each of the portraits. Ask how these changes have made her feel and how the changes were

**Figure 8-4. Experience with Self-portraits**

1st Example:
When the drawing method was used in Ghana, the client (a seamstress) drew the following portraits: a picture of a sewing machine for the past (symbolizing her dependence on the machine for her livelihood), an open Bible for the present (symbolizing her faith which had grown in the past 12 months.), and a large house for the future (symbolizing the “salon” she would have to show the fashions she had created, and incorporating a school for her apprentices). While she protested slightly about her ability to draw, she was very capable of conveying her images and talking about them in response to the interviewer’s probing questions.

2nd Example:
In Colombia, women drew themselves in the first picture with unsmiling faces, bent over, and without joy before they joined the program. In the second picture, they depicted themselves with smiling faces, standing tall and joyful.
made. In her own words, encourage her to give as broad a response as possible. This will allow her to report on her own patterns of change.

### Method 2: Self-Portraits in Small Groups

This method is a variation of the first one. Instead of working one-on-one with a client, this method calls for two staff to interview a group of four clients. As in Method 1, the facilitator asks the clients to draw self-portraits before and after participation in the program. The clients then take turns presenting their pictures. The facilitator’s role is to guide the discussion, probe for more information and touch each of the domains or levels the program is interested in. Often, another client in the group will provide additional information to clarify what the presenter is trying to explain. While the facilitator guides the discussion, the recorder writes down what is being said on a reporting matrix shown in Figure 8-7.

This group method was developed and used by ASHI in the Philippines. In addition to the group interview, the evaluation team there decided to simplify their definition and exploration of empowerment by focusing on just two indicators:

- A. self-esteem
- B. decision-making

They developed a list of probing questions to help facilitators explore the details of these two dimensions in the past and present at each level—self, household, business and community (See Figure 8-5). The recording matrix in Figure 8-7 shows where to allocate client responses.

**Note:** You may choose different indicators that measure empowerment more meaningfully for your own clients. Self-esteem and decision-making are used here only to illustrate how this method works.

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**Figure 8-5**

### Probing Questions For A and B

**A. Self Esteem**
- What were/are your feelings about yourself?
- What roles did/do you play?
- What responsibilities did/do you have?
- How would you describe your relationships with others in the past? And now?
- What goals or dreams did/do you have?
- What kind of person were/are you?

**B. Decision Making**
- What problems did/do you encounter and how did/do you solve them?
- Who made/makes the decisions? Why?
- Who controlled/controls income and other resources?
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**Steps 1-3: See Method 1**

**Step 4: Discuss the Pictures**

When the four clients have finished their drawings, you will ask each client, one-by-one, to present and explain her drawing. Beginning with the first level – self – ask her how she felt about herself (or an alternative indicator if you have chosen not to use self-esteem) in the past, and probe as necessary. Move on to decision-making (or other selected indicator). As the client explains what her picture shows, question her about each level, past and present.

**Step 5: Record the Responses**

As the recorder, your task is to write down what the client is saying in the appropriate boxes on the recording matrix (Figure 8-7). You must pay attention, because she may not talk in chronological order, nor will she proceed neatly through the four levels. The facilitator will try to guide her with questions in a certain order, but you will have to decide where her comments fit on the recording matrix. And the facilitator will be glancing at your recording matrix to find out where the gaps in her story are and to guide his or her probing accordingly.

**Step 6: Switch Facilitator-Recorder Roles**

After two clients have presented their drawings, the facilitator and recorder should switch roles for the remaining two clients. Both of these tasks are intense, and each person will need a break to do something different.
Figure 8-6.
Self-portraits by a Group of Clients in Colombia

When this tool was implemented in Colombia with an entire village bank, just two instructions were given: “Draw a picture of yourself in the past (before the program) and now.” The bank members were all very friendly with each other and did not mind sharing their portraits in a group. They “acted out” their pictures and told the group how they had changed in the domains they felt were most important.

One woman talked about taking better care of her children since joining the program; another related how she interacts with customers in a more friendly manner and so attracts more customers; and another talked about the community projects in which she has become very active in the past 12 months. In each case, clients drew a conclusion about the changes in their lives brought about by participation in the program and, collectively, the members felt they would never again be the person they drew in the “past” portrait. The interviewer was not able to ask as many probing questions as is possible when conducting an individual interview, but she did capture what the client reported about her picture.
## Figure 8-7
### Method 2: Recording Matrix

<table>
<thead>
<tr>
<th>QUESTION</th>
<th>PAST</th>
<th>PRESENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-A self-esteem</td>
<td>Felt self-pity. W as very shy. Had no time for herself.</td>
<td>Has goals to improve her house, to see her children graduate from college and to have a gift shop.</td>
</tr>
<tr>
<td>Self-B Decision-making</td>
<td>Deferred to husband.</td>
<td>Makes her own business decisions.</td>
</tr>
<tr>
<td>Household-A self-esteem</td>
<td>Constantly cooking, washing. Made many sacrifices. Children were frequently sick.</td>
<td>Husband now helps with cooking.</td>
</tr>
<tr>
<td>Household-B decision-making</td>
<td>Confides in husband before making a decision and cannot go against his will.</td>
<td>Husband gives her the right to decide.</td>
</tr>
<tr>
<td>Business-B decision-making</td>
<td>Started making stuffed toys as worker for her brother-in-law. But when they disagreed, he encouraged her to go into the business for herself.</td>
<td>She decided to join ASHI. Now she teaches others and buys their best products.</td>
</tr>
<tr>
<td>Community-A self-esteem</td>
<td>Too shy to have conversations with anyone in the “barangay”</td>
<td>Her husband is now a “barangay” council member, and she is a member of the barangay cooperative.</td>
</tr>
<tr>
<td>Community-B decision-making</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Method 3: An Individual Interview

In preparation for the interview proposed here, review the menu of categorical and probing questions and choose those that best target the information that will be most valuable to your organization. To keep the interview to a reasonable length of time, you will only be able to ask two or three questions from each of the four categories. Keep them simple and focused; remember, each question you decide to ask is repeated for the past and present. Figure 8-8 tells a cautionary tale about “over-engineering” the interview guide for this tool.

Figure 8-8
Keep it Simple!

An assessment team working with a women’s credit cooperative in the Ivory Coast was uncomfortable with the open-ended questions that this Empowerment tool suggests. They developed a new interview guide with specific questions about risk-taking, control over resources, decision-making, goal setting, conflict management and self-image. In the end, however, several of these questions did not yield useful data; clients complained that the questions were repetitive; and the team concluded that the new interview guide was, in fact, over-engineered.

The re-design was undertaken to respond to staff requests for more structure than provided by the tool’s original open-ended questions. To use such open-ended questions effectively, this team recommends skilled, mature interviewers.

Step 1: Introduce

Introduce yourself to the client and explain the purpose of the interview. Explain that you are interested in learning how the client has changed over the past 12 months and describe the process. Tell the client that you will be asking about the specific changes that have taken place in each of the following four areas: on an individual level, within the family/household, in the business, and in the community. Make it clear that you do not need to know anything about money, per se, but rather, how the client does things differently now vs. in the past, with respect to herself individually, her business, her family/household, and her community. Ask the client’s permission to use a tape recorder.
Step 2: Warm Up

Some clients may have trouble identifying the period in time that constitutes “past.” Together with each client, you might want to identify major events in her life that occurred before she joined the program such as her marriage, the birth of a child, or a move that will help her situate herself in the appropriate time. Begin the conversation with a warm-up question such as, “Do you do anything you weren’t doing before? Do you have different goals now than you did before?” Explain that these are the kinds of things you will be asking about during the interview.

Step 3: Interview

Start with the past. Ask clients to think about themselves and how they were before joining the program. If the client needs further encouragement, tell her to close her eyes to help her think and give her a moment to situate herself in the past. Then begin asking the questions about herself and her activities in the past that you have chosen from the menu of questions.

Move to the present. Instruct the client to move in her mind to the present, when she is a member of the program. Ask the same questions for the present.

Caution

In Peru, when interviewers posed the past and present questions, clients were fluid in their responses, shifting from past to present without prompting. It can be a challenge to remain focused on the time period under discussion.

Step 4: Determine a Pattern of Change

At the end of the interview, ask the client if she can determine if there is any pattern to her changes over the past 12 months. Ask how these changes have made her feel, and how these changes came about.
Step 5: Record Responses

Write down everything the client says in response to each question. Record answers using the client's own words as much as possible. (Prepare a format ahead of time that lists each question you want to ask with enough space to record the answer.)

8.4 Selecting the Sample

Use the Client Empowerment tool with mature, longer-term clients who have been associated with the program for at least two years. The purpose of this tool is to help identify changes in behavior that are linked to program participation; and those changes, if they do occur, need time to take hold. In the case of new clients, there will be little to assess, because they will not have participated in the program long enough for program effects to appear.

After identifying clients who have participated in the program for at least two years, select clients randomly from the program registers. Plan on interviewing at least ten clients (See Figure 8-9 for sample sizes from recent impact assessments). You may decide to construct a sample that reflects selected program characteristics, such as urban/rural, small borrower/large borrower, years of participation (subgroups of two, three, and four-year clients). It might be useful to your organization to understand better at what time in the program clients experience a change in self-perception and whether it is related to loan size, the relationship between the client and the group, or the group and the organization. The sample could also reflect geographic distribution, gender differences or industry divisions, if the organization has a desire to relate changes in empowerment to these different cross-sections.

For specific characteristics selected, however, it is important to include several clients who represent a range within that characteristic. If deciding to select for loan size, make sure loan sizes vary among the clients chosen.
8.5 Preparing for the Interviews: Step by Step

**Step P - 1: Define “Empowerment”**

With the whole team, brainstorm the meaning of the word “empowerment.” The word itself does not translate easily into all languages. For example, in French, an AIM S team chose the word realization to convey the concept. Make sure everyone understands the basic idea and agrees on the terminology you will use.

Discuss how to recognize empowerment among your clients. In a specific cultural context, how do we know when a person has been empowered? (For example, women’s mobility might be important in areas where it is generally restricted.) What specific behaviors would indicate that a woman is empowered? Have you seen these types of changes in your clients? Will clients recognize them? Knowing what to look for will help you develop probing questions during the interview.

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**Figure 8-9**

Samples Sizes Used with the Empowerment Tool

<table>
<thead>
<tr>
<th>Organization</th>
<th>Location</th>
<th>No. clients Interviewed</th>
<th>Selection Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>FINCA</td>
<td>Lima, PERU</td>
<td>29</td>
<td>2.5 - 4 years in program</td>
</tr>
<tr>
<td>ASHI</td>
<td>Philippines</td>
<td>36</td>
<td>12 from each branch</td>
</tr>
<tr>
<td>MUCREFAB</td>
<td>Ivory Coast</td>
<td>30</td>
<td>Over 5 years in program</td>
</tr>
</tbody>
</table>

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**Figure 8-10**

Sample Indicators of Empowerment

<table>
<thead>
<tr>
<th>India</th>
<th>Uganda</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sense of self</td>
<td>Economically active</td>
</tr>
<tr>
<td>Vision for the future</td>
<td>Control over loan use</td>
</tr>
<tr>
<td>Mobility</td>
<td>Interest in credit group management</td>
</tr>
<tr>
<td>Economic security</td>
<td>Ability to express herself in public</td>
</tr>
<tr>
<td>Participation in non-family groups</td>
<td>Participation in community affairs</td>
</tr>
</tbody>
</table>
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**Step P - 2: Choose the Method To Use**

The three methods presented here have been used successfully in multiple settings. The self-portraits can be a great way to initiate a sensitive discussion and make it fun. In some places, however, illiterate clients may not have had enough experience holding a pencil or crayon to enable them to draw. Some interviewers have not felt comfortable asking clients to do so. The choice of method will depend on the context and the comfort or skill of the interviewers.

Prepare recording sheets by listing the selected questions, leaving enough space after each one to record client responses.

**Step P - 3: Develop a List of Possible Probing Questions**

For each of the categorical questions you have decided to ask, develop some possible probing questions that you might use - based on what you know about changes in clients - to delve more deeply. (See Appendix 8.1 on the CD entitled, “Appendix 8.1: Training Staff to Use the Client Empowerment Tool,” for training exercises to help with this task.)

**Step P - 4: Translate the Questions into the Clients’ Language(s)**

**Step P - 5: Practice the Interview**

(See training exercises for this tool—“Appendix 8.1: Training Staff To Use the Client Empowerment Tool.”—on the compact disc that accompanies this manual)

**Step P - 6: Schedule Interviews with Clients**

**Step P - 7: Gather Necessary Materials**

For Methods 1 & 2, the interviewer will need paper and markers or crayons and his or her own notebook to record the conversation. For Method 3, the interviewer will need recording sheets tailored to the interview that has been developed. A tape recorder is recommended for all three methods, if the client approves.
8.6 Analyzing the Data

Given the qualitative, individual nature of the data collected using this tool, data analysis is difficult to standardize and can be time-consuming. While the guidelines for analyzing the data are similar for all three methods, the process will differ with each one. The data analysis process recommended for this research entails the following six main steps: (1) write up field notes, (2) summarize key information on an empowerment analysis matrix, (3) develop tables, (4) search for meaning, (5) analyze data from all tables and matrices and (6) write the analysis report.

**Step A - 1: Write Up Your Field Notes**

Qualitative data analysis begins with writing up your “field notes,” i.e., the entirety of the responses clients gave to your questions. If you used a tape recorder during the interview, listen to the tapes. Do not be selective when you record; write down everything the client said without interpretation or bias. For this exercise, label sections for the past and present portraits/sets of questions. Then, within each section, develop paragraphs for each of the categorical questions you asked. You will end up with a mini case study for each client interviewed.

**Step A2: Summarize Key Information on a Client Empowerment Summary Matrix**

Summarize data for successively larger groups of clients. For example, using Method 2, ASHI interviewed clients in groups of four. Staff brought together in a summary fashion the four individual stories first, extracting the key points at each level and in each time period. They then summarized groups of twelve clients, eventually working their way up to the branch level. Figure 8-12 provides an example of how responses to two questions from 12 clients were summarized.
**Figure 8-12.**
Client Empowerment Analysis Matrix (Method 2)
A Summary of 12 Clients

<table>
<thead>
<tr>
<th></th>
<th>PAST</th>
<th>PRESENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household-A</td>
<td>5/12 stayed at home, responsible for children and housework. 2 summed up their lives as “eat, sleep and nothing more”: 4/12 burdened by fatigue, many children, lack of help. 3 of these cited food shortages. 1/12 reports husband out-migrated for work in city. 1/12 reported husband sick for more than a year. 4/12 described feeling poverty and desperation. 2/12 experienced tension in family due to poverty.</td>
<td>3/12 now feel better. Husbands have taken on some chores, or are making more money. 3/12 feel poverty less acutely. One says she has enough food for children and can buy necessities because of loan from ASHI. Another woman says that she and her husband now fight less. 1/12 states that she now has knowledge and skills that she can share with others. 5/12 now have children in school who were not in school before.</td>
</tr>
<tr>
<td>Self-esteem</td>
<td>All women (12/12) commented. 8/12 worked to earn income, but their focus was on survival vs. developing a business. One third pursued small, single livelihood activities such as selling husbands’ fish. Another third had multiple activities such as taking in laundry, shaving bamboo and vending. They lacked confidence, skills and experience. 4/12 did not work, due to childcare responsibilities, lack of confidence, knowledge or initiative.</td>
<td>Noticeable increase in clients’ entrepreneurial skills and confidence. Businesses are more focused and intentional. Clients’ seeking to make profit. 4/12 have a single business (e.g., store). 2/12 state that they are expanding their business. 6/12 have moved into production (e.g., making baskets, pickled papaya) Half of these focus on just one activity, while the other half still work for others or maintain multiple activities. 50% of those who did not work in the past, now do something to earn income – laundry or selling cakes. 3/12 invested their loans from ASHI in their husband’s fishing business. A forth women invested in a joint variety store with her husband.</td>
</tr>
</tbody>
</table>
Step A - 3: Develop Tables

To identify patterns of behavior, develop a table that tallies how many clients have experienced similar changes. Figure 8-13 illustrates what such a table might look like.

<table>
<thead>
<tr>
<th># who feel empowered to make</th>
<th>Past</th>
<th>Present</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decisions about individual self</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Decisions about business</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>Decisions about family/household</td>
<td>2</td>
<td>12</td>
</tr>
<tr>
<td>Decisions about community participation</td>
<td>0</td>
<td>5</td>
</tr>
</tbody>
</table>

This table indicates that, in the past, few clients felt empowered to make decisions over anything. Over time, however, a change has occurred. Since the clients have begun participating in the program, they feel greater empowerment to make decisions in all four areas.

Step A - 4: Look for Meaning

Assembling and summarizing data in a systematic manner allows for patterns of behavior to emerge. As you review what the data indicate, ask the following questions:

- How are the responses to one question related to the responses of another?
- Has a change in self-perception resulted in a change in behavior?
- Has a change in behavior resulted in greater well-being? How?
- What types of decisions do clients report they make on their own now as opposed to the past?
- What kinds of group or community activities does the client now participate in that she did not before?
Chapter 8

- Can you find any patterns? What is common in the responses? Which replies are unique?
- Are changes concentrated at one level (for example, changes in business behavior are clearly apparent but less so within the family/household or community)?
- Are there groups of clients that have responded in similar ways?

Two team members (evaluators) should pursue this type of questioning together in order to verify that both see the same commonalities or trends, and to ensure that nothing is left out.

When asking and answering these questions, do not forget about the context that may influence behavior change, particularly the respondents’ marital status. For example, one woman reported being unable to make business investment decisions in the past and that she depended on her spouse to decide how to allocate resources. Since joining the program, however, the client’s spouse passed away and she has found herself making the decisions he had always made for her. At the same time, participation in the program has given her new confidence. Only through further probing can you determine the extent to which her empowerment can be attributed to the program and how much is related to her specific situation (for example, the death of her husband). Compare this story with that of other clients to test the strength of the program’s effect against other, similar mitigating circumstances.
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**Step A - 5: Review all Tables and Matrices and Write the Analysis**

This step is different from writing the field notes narrative. You must consider in detail all the data that has been summarized in different formats as well as the connections among the data that you have found. The analysis should be just that—a separation and recombination of the different pieces of data gathered. Figures 8-14 and 8-15 offer two examples of findings from the application of the Empowerment Tool.

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**Figure 8-14. Empowerment of ODEF Clients in Honduras**

Among ODEF (Organizacion de Desarrollo Empresarial Femenino) clients, evaluators found a difference between women on the basis of their previous enterprise experience. Those who entered the program with an established economic activity provided "more empowered" answers in terms of their self-perception in the past. And their responses about their present situation included conceptions of themselves as leaders in their banks and communities with very strong and clear visions of how their businesses would evolve. Those who entered the program with minimal or no business experience saw themselves in the past as being limited in many ways: personally, within the household and in the community. Their descriptions of themselves in the present included advances in all areas, but they did not describe themselves as leaders, nor speak of community service in the same way as the first group.
### 8.7 Scheduling

The Client Empowerment Tool involves tasks in the three phases explained above: (1) preparing, (2) interviewing, and (3) analyzing data. Guidelines for approximating the time required for each are offered below. Figure 8-16 offers the estimated amount of time required for the tasks associated with each of these phases.

<table>
<thead>
<tr>
<th>Phase</th>
<th>Tasks</th>
<th>Minimum Time</th>
<th>Observations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Preparation</strong></td>
<td><strong>Tasks</strong></td>
<td><strong>Time</strong></td>
<td><strong>Observations</strong></td>
</tr>
<tr>
<td></td>
<td>Select the sample</td>
<td>0.5 day</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Extract and review client records</td>
<td>0.5 day</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Train interviewers</td>
<td>1.0 day</td>
<td>Will vary by skills and experience of interviewers (See CD for training exercises for this tool).</td>
</tr>
<tr>
<td></td>
<td>Field test tool</td>
<td>1.0 day</td>
<td>Will indicate changes that need to be made to tool and/or need for more training.</td>
</tr>
<tr>
<td>Logistical Arrangements</td>
<td></td>
<td>0.5 day</td>
<td></td>
</tr>
<tr>
<td><strong>Client Interviews</strong></td>
<td><strong>Tasks</strong></td>
<td><strong>Time</strong></td>
<td><strong>Observations</strong></td>
</tr>
<tr>
<td></td>
<td>Travel to the interview site</td>
<td>2hrs./group</td>
<td>Add travel time to/from groups to estimated time needed to apply this tool.</td>
</tr>
<tr>
<td></td>
<td>Conduct the Interview</td>
<td>60-120 minutes</td>
<td>Method 2—conducting the interview with a group of 4 women might take longer, but each team of two can reasonably interview two groups per day.</td>
</tr>
<tr>
<td></td>
<td>Review &amp; write up field notes</td>
<td>1 hour per focus group</td>
<td>Do this at the end of each day.</td>
</tr>
<tr>
<td><strong>Analyze the Data</strong></td>
<td>Summarize client case studies</td>
<td>1.0 day</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tally and analyze results</td>
<td>1.0 day</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Write the results in a narrative report</td>
<td>2.0 day</td>
<td></td>
</tr>
</tbody>
</table>
Figure 8-15
Empowerment Among ASHI clients

The results of group interviews on empowerment clearly indicate that clients believe that ASHI has changed their lives. There is no doubt that clients feel good about themselves. In contrast to the past, they now feel more confident, skilled and knowledgeable in business and more socially competent in their communities. Surprisingly, women generally do not feel more burdened due to the addition of new economic activities to their household chores. On the contrary, almost all feel that now, because they are less poor, they have time and resources for themselves. Recalling their past—their physical hardships, poverty, and multiple responsibilities—left them feeling hopeless and unable to cope, symbolized by one woman’s drawing of a wilted flower.

Clients have taken on productive roles that are central to their household budgets rather than sideline activities subordinate to their domestic roles as in the past. They are proud that their earnings have enabled them to improve their houses and educate their children. Shifting to a primary focus on their business activities has been accompanied in many cases by husbands taking on more of the household responsibilities—cooking and caring for children while wives are out earning income.

However, these important personal developments have not changed women’s traditional deference to the male head of household. There are still two separate spheres – the household budget which the woman now manages more easily because she has more income, and the husband’s earnings for which he makes his own decisions. Interestingly, in a number of cases, the husband has been recruited into the wife’s business; they work and make decisions together. And there are a few cases in which the husband has taken over the use of the loans leaving the woman with little to say. The fact that husbands are increasingly involved in loan use as the loans grow larger (as indicated in the loan use interviews) is a warning sign that some clients may lose control over larger loans. ASHI could consider putting some safeguards in place, like making sure that ownership of assets bought by the loans are in the client’s name.

Excerpted from “Poverty Reduced Through Microfinance: The Impact of ASHI in the Philippines” edited by Helen Todd, CASHPOR, August 2000.
8.8 CHAPTER 8 APPENDICES

The following appendices provide useful information to complement the material in the chapter. Many of the documents were developed in the field and make the implementation of the field work in AIMS-SEEP types of evaluations much easier.

***They are located on the CD-Rom inside the folder “Manual - Chapter 8.”

<table>
<thead>
<tr>
<th>Appendix Number</th>
<th>Document Title Description</th>
<th># of Pages</th>
<th>Filename</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.1</td>
<td>Training Staff to Use the Client Empowerment Tool; Two exercises that evaluation supervisors or team leaders can use to train staff in applying the Client Empowerment Tool: “Developing Probing Questions,” and “Practice Empowerment Drawing and Interviewing.”</td>
<td>5</td>
<td>App. 8.1 - Empowerment Training.doc</td>
</tr>
<tr>
<td>8.2</td>
<td>Process of Analysis of the Empowerment Cases; Instructions for processing information with example of completed matrix from ASHI IA 2000.</td>
<td>3</td>
<td>App. 8.2 - Process of Analysis of Empowerment-Kinagatan.doc</td>
</tr>
<tr>
<td>8.3</td>
<td>Empowerment Analysis Matrix – 12 Women of TBB; Example of completed analysis matrix in narrative form for 12 women from ASHI in the Philippines.</td>
<td>8</td>
<td>App. 8.3 - Empowerment Analysis Matrix-TBB.doc</td>
</tr>
<tr>
<td>8.4</td>
<td>Findings on Client Empowerment— Demographic Info; Demographic information taken from the Interviewee Data Form filled in for the 47 women interviewed on empowerment.</td>
<td>1</td>
<td>App. 8.4 - Demographics on Empowerment ASHI.doc</td>
</tr>
<tr>
<td>8.5</td>
<td>Exercise on Developing your Own Hypotheses and Indicators or Empowerment; Exercise provides two examples of hypotheses with indicators for all four levels, and then asks participants to develop their own.</td>
<td>2</td>
<td>App. 8.5 - Exercise on Empowerment Hypotheses and Indicators.doc</td>
</tr>
</tbody>
</table>
Chapter 9

Planning and Scheduling an Impact Assessment

9.1 Exploring Possible Roles for External Personnel

9.2 Planning the Assessment

9.3 Staffing

9.4 Equipment and Infrastructure

9.5 Guide to Appendices on the CD
Planning and Scheduling an Impact Assessment

When all five tools have been used to carry out a client assessment, their application took place over a three-week time period and required an intensive, coordinated effort by the NGO management, staff and external supervisors. This section provides guidelines for the scheduling, staffing, and other logistical requirements for such an assessment.

These guidelines represent the best possible scenario where planning is begun early and preparations are carried out far enough in advance to avoid stressful last minute pressure and the mistakes that result. Please take note of two important points:

1. They are based on applying the five tools simultaneously, which is only one of several options for carrying out an assessment. Some programs choose to sequence the tools, applying the Impact Survey first, followed by selected qualitative tools at a later date. This process enables the survey results to inform program staff and help them adapt the qualitative tools to address specific issues raised by the survey. Another interesting suggestion is to administer the Exit Survey to all exiting clients during the months when staff members are planning the rest of the assessment. In so doing, the staff avoids the challenge of finding ex-clients willing to be interviewed, and one tool is out the way.

2. Clearly, each user will schedule these tasks according to their own timetable. While the schedule, staff requirements and budget outlined below are based on the use of all five tools, users will have to work out their own requirements based on the number and type of tools they choose to apply.

9.1 Exploring Possible Roles for External Personnel

From the outset, SEEP intended to develop an approach to client assessment that can be carried out by and for practitioners. Its priority has been to offer a process that practitioners control—from the choice of hypotheses to be tested to the analysis of the data collected and use of the findings. Second, as indicated in Chapter 1, the team searched for a balance
between feasibility of implementation and credibility of results. Not surprisingly, the balance they found—the process outlined in this manual—still represents a significant effort because “quick and dirty” methods usually do not yield valid results. NGOs and MFIs must decide how to actually carry out the work involved, choosing from a range of options that include bringing in outside experts and volunteers, and/or temporarily shifting staff from their daily responsibilities to the assessment team.

Experience to date indicates that such an assessment will benefit from the assistance of an external evaluator, especially if the Impact Survey is to be used. Competent evaluation expertise can be found in local universities, national consulting firms or NGO support organizations. This detailed manual should provide enough guidance to anyone with some evaluation experience and enough time to learn the process it outlines.

External personnel could play several roles, including (1) designing the assessment, (2) planning and coordinating the assessment, (3) conducting client interviews, (4) processing and analyzing client data on the computer, and (5) preparing the final report. Each of these roles is described below.

**Designing the Assessment**

The NGO leadership may want outside expertise to help think through the assessment design—the hypotheses and indicators, the tools, the scale of effort, and the human resources needed to carry it out. Making such design decisions well in advance will enable management to determine how to provide the required resources.

**Planning and Coordinating the Assessment**

A small NGO may want a consultant to handle the multiple logistical and technical details that need to be done well before the actual assessment begins. It is easy for busy executives to give priority to today’s pressing needs over tasks associated with an event that will occur months in the future. However, these tasks cannot wait until the team has assembled and is ready to interview the clients. An external coordinator should be supervised by an NGO manager who both knows the context and is clear about the agency’s goals for the process.
Conducting Client Interviews

A large number of client interviews may call for additional people outside the agency. Outsiders will need careful training to understand clients’ references to specific aspects of the program, and it will be easier to train them for the quantitative surveys than for the in-depth interviews associated with the qualitative tools.

Processing and Analyzing Client Data on the Computer

If the NGO does not have computer technicians on staff, they can easily be hired on a short-term basis. However, it is necessary to have one person who knows statistical analysis, microfinance and a computer program to input and analyze the data (such as EPI Info or SPSS).

Preparing the Final Report

Because writing the final report actually begins during the first week of the assessment process, when agency staff are immersed first in training and subsequently in data collection and analysis, an external consultant who writes the final report can be helpful.

The use of external consultants clearly has implications for the budget and the dates of the assessment exercise. Take care to plan the whole process well in advance to determine how many and what types of outsiders to hire, as well as to secure funding for their participation.

9.2 Planning the Assessment

By starting to plan the impact assessment well before the data collection actually begins, you are able to (1) carefully consider the various design decisions you will have to make, (2) build the right team, and (3) minimize logistical problems during the on-site assessment. Figure 9-1 offers a checklist of tasks organized by time period during which they should be accomplished.
### Figure 9-1.
Impact Assessment Planning Check List

<table>
<thead>
<tr>
<th>TASK:</th>
<th>WHO?</th>
<th>START DATE</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>SIX MONTHS BEFORE THE EVALUATION</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A1</td>
<td>Get to know the tools - Read the manual</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A2</td>
<td>Discuss assessment with staff</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A3</td>
<td>Identify and Adapt Hypotheses to be Tested</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A4</td>
<td>Select Tools - Test 2 versions of each of 2 qualitative tools and select best method</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A5</td>
<td>Determine composition of evaluation team (Spend ample time determining who is best for each role after having assembled approximately 30 people)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A6</td>
<td>Set date(s) for assessment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A7</td>
<td>Translate tools to the language used by the program staff, if necessary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A8</td>
<td>Finalize contracts for external participants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TASK</td>
<td>WHO?</td>
<td>START DATE</td>
<td>COMMENTS</td>
</tr>
<tr>
<td>------</td>
<td>------</td>
<td>------------</td>
<td>----------</td>
</tr>
<tr>
<td><strong>B</strong> THREE MONTHS BEFORE THE EVALUATION</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B1 Hold a planning session with assessment managers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B2 Review the indicators and questions in selected tools</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B3 Translate the tools to the clients’ language and reverse translate to ensure consistency, accuracy</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| B4 Field test the translated tools  
Do this far enough in advance to allow time to edit tools and re-test, if necessary | | | |
| B5 Develop the sampling strategy | | | |
| B6 Compile secondary information about the sampled communities | | | |
| B7 Recruit volunteers for the assessment team from staff, other organizations, local university, etc. Make sure all roles are filled | | | |
| B8 Meet with Board of Directors (they might want to give input on emphasis of IA) | | | |
| **C** ONE MONTH BEFORE EVALUATION | | | |
| C1 Construct the client sample for the Impact Survey | | | |
| C2 Complete an Interviewee Data Form for all clients, non-clients and ex-clients in the sample | | | |
| C3 Plan transportation logistics based on the sample drawn | | | |
| C4 Decide how to notify sampled clients about the interview | | | |
| C5 Select team leaders | | | |
| C6 Reserve adequate work space for the assessment team | | | |
| C7 Order necessary office supplies | | | |
| **D** ONE WEEK BEFORE THE EVALUATION | | | |
| D1 Review preparations, logistics, staffing and equipment | | | |
### Chapter 9

#### Learning from Clients: Planning and Scheduling

**Assessment Tools for Microfinance Practitioners**

**An Impact Assessment**

---

<table>
<thead>
<tr>
<th>TASKS</th>
<th>WHO?</th>
<th>START DATE</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>D2 Design uniform systems for numbering interviews and naming computer files</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D3 Train team leaders and trainers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D4 Finalize computer operations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D5 Preliminary training of staff on EPI Info or SPSS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D6 Orient the assessment team</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

**Tasks during the 3-week evaluation process**

**Week 1: Preparing to Collect Data**

- E1 Review team composition, roles, and responsibilities (including assigning roles for writing sections of final report)
- E2 Train personnel in qualitative and quantitative methods
- E3 Revise instruments if necessary
- E4 Field Test instruments for last time
- E5 Make final copy of each instrument
- E6 Review each team plan for data collection and corresponding logistics
- E7 Test knowledge of and train computer staff on software and coding
- E8 Begin to write parts of the final report

**Week 2: Collecting and Inputting Data**

- F1 Check client eligibility
- F2 Review completed Interview Forms daily
- F3 Adjust logistical plans each day
- F4 Enter data
- F5 Write up the qualitative interviews each day
- F6 Write additional parts of the final report
- F7 Duplicate and Collate Survey Forms
9.2.1 Sample Production Schedule

Figure 9-2 illustrates how the production schedule for data collection can be laid out. Such a schedule will differ greatly for each evaluation depending on how far apart the sampled clients live from one another, the ease of transportation and locating respondents, and the
Chapter 9

skill level of the interviewers. Any production schedule will need to be adjusted in response to the initial field experience during week one and in the first days of week two.

In this example, the quantitative team is scheduled to work all day for six days. After completing their interviews, they have relatively little work to do on the forms. In contrast, the qualitative team members interview only half a day and use the other half day to listen to the tapes, review their notes and write up the interviews. The qualitative team is scheduled to spend only five days in the field leaving time to complete the write-ups and put together case studies to facilitate analysis.

<table>
<thead>
<tr>
<th>Daily Interviews During Week Two</th>
<th>Total Number of Interviews of Each Type</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Impact Survey</strong> takes an average of 45 minutes: 4 surveys per interviewer/day x 9 interviewers = 36 surveys/day. If each supervisor of three interviewers does 2 surveys/day x 3 = 6/day.</td>
<td>36 surveys by interviewers plus 6 surveys by supervisors/day = 42/day x 6 days= 252 impact surveys. (The same survey is done with mature clients and non-clients. This 252 could be composed of 172 clients and 80 non-clients.)</td>
</tr>
<tr>
<td><strong>Client Exit Survey</strong> takes an average of 18 minutes. 2 surveys /day x 9 interviewers = 18 exit surveys/day.</td>
<td>18 exit surveys/day x 6 days = 108 exit surveys. (This could be 54 from one type of client and 54 of a second type of client.)</td>
</tr>
<tr>
<td>The <strong>Client Satisfaction focus group</strong> requires about one hour and 45 minutes for a two-person team. 2 group interviews/day x 2 teams = 4 group interviews/day</td>
<td>4 group interviews /day x 5 days = 20 group interviews (The sampling can be purposeful to get the opinion of clients who have had more time in the program and who are using different types of loan products.)</td>
</tr>
<tr>
<td><strong>Loan Use Strategies Over Time</strong> interviews take about 40 minutes. 4 individual interviews /day x 1 interviewer = 4 loan use interviews/day</td>
<td>4 loan use interviews /day x 5 days = 20 individual interviews. (Note that the qualitative are able to do less interviewing per day because they need time to write them up daily.)</td>
</tr>
<tr>
<td><strong>Client Empowerment</strong> interviews take about 60 minutes. 3 individual interviews /day x 2 interviewers = 6 individual interviews/day</td>
<td>6 empowerment interviews /day x 5 days = 30 empowerment interviews. (Typically the interviewing is done in the afternoon when the clients have more time and the write up is done the following morning.)</td>
</tr>
</tbody>
</table>
9.3 Staffing

The number of staff required will depend on the assessment design—the number of tools to be applied and their sequence. An important concern for most MFIs is the opportunity cost of diverting loan officers from the daily business of lending. In response, some managers have chosen to rely on support and managerial staff in order to limit the participation of loan officers. Some programs recruit volunteers from local universities; others contract with partner organizations. In Peru, FINCA had a team of more than twenty people to carry out the impact assessment using all five tools. Figure 9-3 shows how this group was divided into work teams for the assessment.

<table>
<thead>
<tr>
<th>Team 1: Quantitative Tools</th>
<th>Team 2: Computer Work on Quantitative Tools</th>
<th>Team 3: Qualitative Tools</th>
<th>Team 4: Quality Control</th>
<th>Team 5: Report Writing</th>
<th>Team 6: Logistics</th>
<th>Team 7: Overall Coordination</th>
</tr>
</thead>
<tbody>
<tr>
<td>9 interviewers (can be field agents) with 3 supervisors (who are conducting a lesser number of interviews while doing quality control).</td>
<td>2 data entry staff (preferably with computer skills). 1 person skilled at supervision, statistical analysis, and the computer program. More data entry people may be needed at peak time in Week 2.</td>
<td>3 staff minimum for individual interviews and four persons to form two teams for focus groups (preferably trainers or those familiar with qualitative methods).</td>
<td>At least 2 mgt. staff (mainly in the office).</td>
<td>1 consultant hired to write the final report (works for one day prior to the beginning of the eval. exercise, 2 days in Week 1, 1 day in Week 2, and 4 days during Week 3; then 10 days at the end).</td>
<td>1 manager to work in the office overseeing transportati on, computers, and other logistics; 1 messenger and secretarial help.</td>
<td>Can be NGO manager or combination of external consultant and NGO manager who has the ability to make executive decisions and organize staff resources.</td>
</tr>
</tbody>
</table>

Learning from Clients: Assessment Tools for Microfinance Practitioners

Planning and Scheduling an Impact Assessment
Figure 9-4 outlines the responsibilities of each team by week. This division of responsibilities is based on the composition of “quantitative” and “qualitative” teams that allow personnel to “specialize” in one type of tool. Logistically, however, it may be easier to compose multidisciplinary teams that can work with both types of tools, a strategy that would enable you to send just one team to each geographical area.

### Figure 9-4.
**Responsibilities by Week**

<table>
<thead>
<tr>
<th>Team 1: Quantitative Tools</th>
<th>Team 2: Computer Work on Quantitative Tools</th>
<th>Team 3: Qualitative Tools</th>
<th>Team 4: Quality Control</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Week One</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Receive training;</td>
<td>1. Install and practice software (e.g., Epi Info);</td>
<td>1. Receive training;</td>
<td>1. Help train;</td>
</tr>
<tr>
<td>2. Test and revise tools;</td>
<td>2. Input sample data and check quality;</td>
<td>2. Practice;</td>
<td>2. Accompany teams 1 and 3 on tools test;</td>
</tr>
<tr>
<td>3. Plan how to carry out the interviews of the sample of clients, non clients and ex-clients; and</td>
<td>3. Debug and eliminate viruses;</td>
<td>3. Test and revise tools; and</td>
<td>3. Help revise the instruments;</td>
</tr>
<tr>
<td>4. Do a detailed plan of the data collection for the following week.</td>
<td>4. Plan for the following week;</td>
<td>4. Plan data collection for the following week.</td>
<td>4. Make sure that the sample is ready for the teams;</td>
</tr>
<tr>
<td><strong>Week Two</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Collect data;</td>
<td>8. Input and clean data;</td>
<td>5. Conduct in-depth interviews and focus groups;</td>
<td>7. Review quality of data collection, cleaning and input; and</td>
</tr>
<tr>
<td>6. Code and check data for quality; and</td>
<td>9. Return incomplete interview forms to Team 1; and</td>
<td>6. Make sure that production is on schedule; and</td>
<td>8. Assure completion of assignments.</td>
</tr>
<tr>
<td>7. Make sure that production is on schedule.</td>
<td>10. Maintain an accurate count of the sample accomplished each day.</td>
<td>7. Write case studies.</td>
<td></td>
</tr>
<tr>
<td><strong>Week Three</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Finalize data collection in the first day(s);</td>
<td>11. Complete data input; Clean data and ensure quality control;</td>
<td>8. Write case studies;</td>
<td>9. Supervise final data collection, cleaning, input, and analysis; and</td>
</tr>
<tr>
<td>10. Write report.</td>
<td>13. Compile demographic information on interviewees of each type.</td>
<td>10. Analyze qualitative data; and</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>11. Write report.</td>
<td></td>
</tr>
</tbody>
</table>
Figure 9-5 outlines the level of effort, defined in person days, required for a three-week assessment process.

<table>
<thead>
<tr>
<th>Person Days Required for 3-week assessment</th>
<th>Person Days in Honduras</th>
<th>Person Days in Mali</th>
<th>Person Days in Peru</th>
</tr>
</thead>
<tbody>
<tr>
<td>On site planning, training and pre-testing</td>
<td>78</td>
<td>68</td>
<td>90</td>
</tr>
<tr>
<td>Data collection</td>
<td>75</td>
<td>78</td>
<td>100</td>
</tr>
<tr>
<td>Software installation, data entry</td>
<td>59</td>
<td>13</td>
<td>40</td>
</tr>
<tr>
<td>Data cleaning</td>
<td>18</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Analysis</td>
<td>30</td>
<td>36</td>
<td>40</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>260</strong></td>
<td><strong>197</strong></td>
<td><strong>277</strong></td>
</tr>
</tbody>
</table>

Note the substantial difference in time spent on software installation, data entry, and data cleaning in Mali and Honduras. In Mali, the data entry person had university training in computer systems and had used the program previously, while his counterpart in Honduras was totally new to the Epi Info program and needed time to learn it. The higher figures for Peru are due to a much larger number of interviews.

### 9.3.1 Avoiding Bias

You must not send field staff (for example, credit promoters) to interview clients with whom they have had previous business or personal relations. The most effective way to avoid this type of bias is to assign promoters to zones other than those in which they work. It is also important, however, to anticipate the normal difficulties that strangers will have locating the clients to be interviewed. The regular program staff who know each area can serve as guides. They can direct the interviewer to the appropriate home or place of business without actually crossing the threshold with him. This lack of presence of the regular program staff will reinforce clients’ trust in the promised confidentiality of the interview.
9.3.2 Educational Level of Staff

Ideally, field workers will have at least a secondary education and team coordinators, a university education. While practitioners and field workers actually make better interviewers than university students because they are more familiar with the subject matter and are better able to perceive more subtle meanings, the qualitative interviewers also need to be able to take detailed notes.

To date, the majority of quantitative interviewers have had no prior evaluation experience and only a secondary education. Those with a higher level of formal education (university and graduate school) have usually been assigned to the qualitative interviewing given their greater facility with content analysis and writing long narrative reports.

9.4 Equipment and Infrastructure

Costs for equipment and infrastructure fall into four main categories: (1) transportation, (2) computers, (3) duplicating materials, and (4) office space. Each of these cost areas is described below.

9.4.1 Transportation

The organization needs to provide vehicles and drivers to the data collection teams for at least ten hours a day. The number of vehicles required will be determined in part by the area chosen for the evaluation and the sample size. In Honduras, the team supervisors were the drivers. When they were not driving and picking up interviewers, they were waiting in the vehicle and checking the forms that had already been filled out. In addition, motorcycles can provide the field workers with the flexibility to quickly reach clients in less accessible areas. In Peru, the transport was provided by car and motorcycle taxis. This raised the costs but provided flexibility to only contract transport when needed. Taxi drivers also assisted in locating clients.
9.4.2 Computers

At least two computers will be needed 8 hours a day during data input and processing during weeks two and three. However, during the third (last) week when data is being analyzed and reports are prepared, the team will need six to eight computers for eight hours each day. During the last half of the second week and the first half of the third week, the qualitative team members need to each use a computer at least four hours per day. In Peru, the team rented computers during peak times from cyber cafes.

If the reports are being written in an area where electricity is unstable, battery back-ups, generators, UPS systems, or stabilizers and surge protectors will be necessary. Up-to-date anti-virus software is essential to prevent infection and loss of data. Computer printers are needed during the whole process, but especially in the third week.

9.4.3 Duplicating Materials

Copying services will be needed, especially at the end of week one and during week two to copy, collate and staple interview forms. (See figure 9-8.) It may be tempting to lower costs by doing such copying in-house; in Peru, however, it was far easier to have such a high volume of photocopying done commercially at a copy center. The quality should be spot checked before the forms go out into the field because incomplete interview forms can totally stop production.

<table>
<thead>
<tr>
<th>Week 0</th>
<th>Training materials for week 1 tools training</th>
</tr>
</thead>
<tbody>
<tr>
<td>Week 1</td>
<td>Survey forms for field test; final revised forms for actual data collection</td>
</tr>
<tr>
<td>Week 2</td>
<td>Additional interview forms</td>
</tr>
<tr>
<td>Week 3</td>
<td>Draft case studies, analysis, report for team review</td>
</tr>
</tbody>
</table>

**Figure 9-8.**

Photocopying Required by Week
9.4.4 Office Space

The assessment team will need separate office and desk space to dedicate to the evaluation process, especially during weeks one through three. Experience indicates that this space should be accessible both during the days and evenings. If the organization does not have sufficient space within its existing offices, it should budget for rental as space is critical to maintaining necessary organization of the work. In Peru, separate space was rented for training in week one, and for the presentations in week three.

Computer operators need a separate, quiet space to input the quantitative data without being interrupted by noise from teams 1 and 3. Plenty of table or counter space is necessary to allow for a clear flow of documents through the process of data input, cleaning and analysis.
## Chapter 9 Appendices

The following appendices provide useful information to complement the material in the chapter. Many of the documents were developed in the field and make the implementation of the field work in AIMS-SEEP types of evaluations much easier.

**They are located on the CD-Rom inside the folder “Manual – Chapter 9.”**

<table>
<thead>
<tr>
<th>Appendix Number</th>
<th>Document Title Description</th>
<th># of Pages</th>
<th>Filename</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.1</td>
<td>Guide to Developing a Proposal for the Implementation of an Impact Evaluation Using the AIMS-SEEP Tools; This guide can assist an organization to write a proposal for a client assessment. It can be used for all 5 tools or just a few. It directs you to provide the basic types of information that Boards of Directors or funders will need. Even if outside funding is not needed, this guide can help a manager to think through all aspects of the assessment, develop a timeline and a budget.</td>
<td>7</td>
<td>App. 9.1 - Guide for Proposal to Implement Tools.doc</td>
</tr>
<tr>
<td>9.2</td>
<td>PowerPoint Model of Plan (Agape); Twenty-four PowerPoint slides that can be used as a model for planning one’s own client assessment using the AIMS-SEEP Tools. Provides format for inputting specific information on audience, objectives, hypotheses, sampling for each tool, human resources needed, budget sources, and schedule.</td>
<td>4</td>
<td>App. 9.2 - Model Plan for National MFI Imple (AGAPE-Colombia).ppt</td>
</tr>
<tr>
<td>9.3</td>
<td>Organization of Teams Chart and Sampling/LOE Chart from ASHI Philippines; Chart showing distribution of personnel into 7 teams for ASHI Impact Assessment, and chart showing breakdown of sample size, # of interviewers, and # of days needed for each tool.</td>
<td>2</td>
<td>App. 9.3 - Organization of Teams-Phil 2000.doc</td>
</tr>
<tr>
<td>9.4</td>
<td>Job Descriptions for Tools Implementation; Listing of job description and responsibilities of personnel involved in an impact assessment.</td>
<td>5</td>
<td>App. 9.4 - ASHI Job descr. by week.doc</td>
</tr>
<tr>
<td>9.5</td>
<td>Suggested Outline for Final Report; Sample table of contents, hints and references to other sources that can be used in writing the final report.</td>
<td>5</td>
<td>App. 9.5 - Final Report Outline - old Appendix A.doc</td>
</tr>
<tr>
<td>9.6</td>
<td>Responsibilities for the Preparation of the Final Report; Table showing person responsible, days available, their part of final report, and which transparencies will be used during presentation to Board.</td>
<td>1</td>
<td>App. 9.6 - ASHI Final Report Responsibilities.doc</td>
</tr>
</tbody>
</table>
References


