

College Students Get Into Microfinance Lending

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Imagine that you have lost your job. You could start a sewing business at home if you had a better sewing machine and a little money to advertise. But you cannot get a loan from a bank.

In recent times, many people in similar situations have received loans from student microfinance groups. Such groups make small loans for business or personal use. Twelve of the organizations are part of a national network called Campus Microfinance Alliance. The Alliance provides financial aid, technical advice and training programs for its member groups.

Each group has between ten and seventy volunteers, many of them college students. They have enabled hundreds of people across the United States to launch small businesses.

Vanessa Carter is director of the alliance. She says bad economic times have sped the growth of the college microfinance movement.

VANESSA CARTER: "This really got started because students were walking off campus, it was the height of the economic recession, and they were seeing boarded-up businesses and the effects of high unemployment first hand."



Grinnell

Grinnell College in Iowa has a student-operated microfinance organization

In Iowa, a student microfinance group at Grinnell College helps people both locally and internationally. The group started in two thousand seven. At that time, Grinnell student Jeff Raderstrong and some friends raised more than six hundred dollars from other students.

The Saturday-night Grinnell tradition of missing a meal to help others enabled the group to make loans through the international microfinance organization, Kiva.org. The Social Entrepreneurs of Grinnell – SEG – was launched.

Later, SEG moved toward making loans directly to international partners. But as time passed, the group started helping people in Iowa. Jeff Raderstrong remembers how that developed.

JEFF RADERSTRONG: "It sort of really quickly became clear that there was a lot that we could do in the community, in the Grinnell community. Because, you know, the town itself, there is some wealth but there is a lot of poverty, and it's is a lot of rural poverty."

Mark Root-Wiley was another early member of SEG. He says the group recognized that small targeted loans at zero-percent or low interest could help local residents. SEG money has helped people make car payments so they can get to their jobs. It also helped patients in need of temporary housing near the medical center where they receive treatment.

And that's the VOA Special English Education Report, written by Jerilyn Watson. For more news about education and for transcripts, MP3s and now PDFs of our programs for e-readers, go to voaspecialenglish.com. I'm Christopher Cruise.