



IN EL SALVADOR, A GOOD CREDIT HISTORY OPENS DOORS FOR A BUSINESSWOMAN

A born entrepreneur gets the capital she needs to expand her business.

BY CHRIS HUFSTADER | WINTER 2019

Rubelina Guevara's second store has been open for less than a year, and it's still a work in progress. It's in a room in her sister's house on the main road in their hometown, a place called Calvario in northeastern El Salvador. The cement room has some plastic and metal shelves that contain rice, bread, and onions on the left; toilet paper, laundry soap, and plastic toys on the right. A child's yellow bike is in one corner; a hammock stretches across the other.

The store is making sales, Guevara says, sometimes as much as \$100 per day, and she's pleased that she's been able to find the financing she needs to expand her retail operation, which started with a small store near a school three years ago. "I've always liked business, since I was a kid," she says. She got a \$300 loan from her

Saving for Change (SfC) group in Calvario, a group started with help from Oxfam America, to establish that first store.

Oxfam and our partners help women form Saving for Change groups so they can save money, in this case sometimes as little as 50 cents a week at first, build their savings, and then start lending group members small sums they can use for business investments like this.

Guevara has also saved and borrowed money to finance home improvements. She repaired walls, added a kitchen, and is now adding another room. "I set aside savings to do these things," she says modestly.

Guevara's Saving for Change group is called "Saving for a New Life," and it started in 2014. Most of the women are

saving about \$2.50 per week; many are depositing as much as \$10. At a weekly meeting, Guevara helps record the deposits going into the locked box that contains all their savings, as the members each update their own savings books.

Learning to make business plans and keep records is a crucial part of the training provided by Oxfam to SfC group members. "I keep all my data up to date, because it's important to keep track," Guevara says. She recently got a \$3,000 loan to start her new store after a network of SfC groups partnered with the government-run Agriculture Development Bank. "I told the bank about my record at the SfC group, based on paying on time. Then they asked about assets. So I have my house as collateral now ..."

Guevara is a single mother of two boys, 18 and 8 years old. She says her business training and repayment history with her SfC group gave her the confidence to take out such a large loan. "I knew that having a good track record in the group is what opens doors for you."

The availability of commercial loans is helping well-established Saving for Change groups and their members connect to the formal banking system, set up their own bank accounts, and make strides down the road to financial independence and prosperity. So far, the Agriculture Development Bank has loaned \$486,200 to women in El Salvador.

Conchi Maravilla, a coordinator for Oxfam in El Salvador, says there are 18,000 women in SfC groups across the country, and she notes that they are all setting an important example: "Poor women can save; we can prove it. It's a no-cost system; it's not cows or money we give, it's basic financial education, and we can scale it up at a low cost. We get great results."

"When women earn an income, it makes them no longer dependent on men, so they have respectability," she adds. "The women support each other, and it radiates out into the community."



ABOVE: Jaivi Orquidea Guevara, 37, and Elba Monteagudo Luna, 40, prepare pupusas, a traditional Salvadoran dish, which they sell to their neighbors in Calvario. Many of the Saving for Change group members here sell prepared food to earn extra money to build up their savings.

LEFT: Members of the Saving for Change group in Calvario show their savings books, in which they record their savings balances and keep track of their loan payments. Learning to keep proper records and create business plans is part of the training for all group members. The members in Calvario say they are paying back 100 percent of their outstanding loans on time.

PHOTOS: Oscar Leiva/Oxfam America



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