

Email #1

From: Peter Griffiths
To: GiveWell
Date: Tue, Aug 10, 2010 at 11:22 AM
Subject: RE: MicroLoan Foundation

Hi Elie,

Since we last communicated data to GiveWell, we've applied the Grameen Foundation's Progress out of Poverty Index (PPI) to clients at two of our branches which are representative of our programme as a whole.

The results for 269 clients surveyed are that 57% of clients are likely to live on less than \$1.25 per day and 89% of clients are likely to live on less than \$2.50. These are clients in our standard programme, not clients in any specific poor-targeted segment of our programme.

I've looked at the data on your site for SEF and, as expected, given the gulf in wealth between Malawi and South Africa, our clients would appear to be poorer than SEFs clients in its poverty targeted programme. This is why I don't think it's fair to classify MLF as reaching "less poor clients" when SEF is considered to reach "very poor clients."

Daniella Hawkins (cc'd) is our Social Impact Champion in Malawi, if you require further information regarding this survey then Daniella will be able to oblige.

Thanks,
Pete

Email #2

From: GiveWell
To: Peter Griffiths
Date: Tue, Aug 10, 2010 at 11:27 AM
Subject: RE: MicroLoan Foundation

Hi Peter,

Thanks for this updated information. Would it be possible for you or Daniella to share more information about this recent survey? Do you have a technical report available about how you chose these branches and clients to participate?

Also, what's your take on what has changed re clients standard of living since the time you completed the report that's currently linked on our site?

Thanks,

Elie

Email #3

From: Peter Griffiths
To: GiveWell
Date: Tue, Aug 10, 2010 at 11:59 AM
Subject: RE: MicroLoan Foundation

Elie,

Daniella will be able to explain how we've used the Grameen PPI. It is our overall intention to roll this PPI out across our entire programme, so eventually we will know the poverty likelihood for every single client that we work with. To date, we have just used the PPI at 2 branches, our Kasungu branch and our Mchinji branch. These are typical MLF branches in rural districts. Clients surveyed were all clients who either joined a new MLF group between January and June or left an MLF group in the same time period. Again, Daniella can give more detail if required.

In comparison to the previous study undertaken we believe this is a far more accurate and rigorous study than the one previously carried out by the Malawi academics in the report currently on your site. As that report notes, there were serious problems with being able to accurately gain an understanding of client income, with a significant amount of the data based on client representations. We've found that clients have tendency to exaggerate their income levels and to not accurately distinguish between capital and income. In hindsight, the idea that on average clients would have an income of \$278 a household per month but over 50% of them would be living in properties with mud floors does not reconcile.

As I'm sure you know Grameen has looked to tackle such common issues by using their PPI tool which, rather than focusing on income levels, looks at clients' wealth by asking questions, the answer to which can be visually verified by the interviewer. We are far more comfortable with the results that this produces as the poverty likelihood of our clients is much more inline with that of Malawi as a whole and our own understanding of our clients poverty level. So, in summary it's not our clients that have changed since 2008 it is the rigour of the survey used to asses their wealth.

Pete