

PUGET SOUND **Business Journal** *Business Leaders Get It.*

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Very small loan, very large results

Editorial by Emory Thomas Jr.

The Westin hotel, one of only a few facilities in downtown Seattle that can host a meal for more than 1,000 people in a single room, was a typical hive of business people at lunchtime Tuesday this week.

The motor lobby jammed with cars, as sprinting valet parkers hustled to serve the masses. Throngs ascended the escalators to the Grand Ballroom. Once inside, attendees made their way to assigned dining tables, where they'd soon be served a Latin America-inspired meal of basil- and chili-spiced chicken, black bean rioja reduction, pina colada mousse and other morsels.

The speaker for lunch this day would not be the mayor, or Bill Gates, or a parade of arts leaders or benefactors. It would, instead, be a seamstress from El Salvador.

It was hard to know what Isabel Vasquez, who had never left her country before this trip to Seattle, made of the Westin ballroom crowd. But she certainly knew what her own role in the foreign room would be: quite simply, to tell the story of her life.

After emcee Margaret Larson had welcomed the crowd, Vasquez -- Spanish-speaking, self-assured -- stood at a small podium flanked by an interpreter.

In a halting cadence, Vasquez explained how a Seattle-based initiative had changed her life profoundly. A single mother of three children, she has worked hard to support and educate her family as a seamstress. Living in a remote part of the world, and in extreme poverty, Vasquez found her fortunes change utterly in 1999.

The change didn't come through some dramatic cash award, or free health services, or generous scholarships for her kids. Rather, it came in the form of a \$120 loan from an entity called Enlace,

one of many small institutions worldwide that are supported by Seattle-based Global Partnerships -- an organization that backs micro-finance efforts worldwide.

Of the \$120, Vasquez used about half to buy fabric and other supplies; with the other half, she paid what she'd owed to loan sharks who had charged her about 40 percent interest a month. For Vasquez, and for an increasing number of other chronically poor individuals across the globe, the shift from using a loan shark to a respectable micro-lender made an enormous difference. Vasquez's business, enlivened by 14 different Enlace loans through the years, is thriving, with 60 different customers. All three of her children are now high school graduates.

Micro-lending is an act of charity, yes, but most often, it's also an act of profit. Lenders find that 95 percent of all loans are paid back in full and on time. This means that although there are risks, those who invest in the field can expect a respectable return.

Global Partnerships put together this "Business of Hope Luncheon." As we've noted in this paper before, the Puget Sound region is an increasingly key player in this field. In addition to Global Partnerships, the brainchild of Bill and Paula Clapp, the Bill & Melinda Gates Foundation is diving in, joining other local players such as Unitus, based in Redmond.

At its core, micro-lending is a human story. But it's a story of numbers, too. Among them: More than half of the world's population subsists on less than \$2 a day. Some 500 million of those people likely would benefit from microloans. To date, fewer than 20 percent have been so served. Global Partnerships has touched some 250,000 lives. The loans themselves tend to be as little as \$100.

The world-changing power of those numbers was well in evidence in front of the numbers of business people gathered at Seattle's Westin this week.

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