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Microfinance in the Dominican Republic

I spent my summer working with Esperanza International, a microfinance institution in the Dominican Republic. At its most basic level, microfinance entails issuing very small loans to impoverished individuals to start up their own businesses or to get involved in an income generating activity. The repayment rates are good; so good that many microfinance institutions are often able to support all of their operations solely from the interest of their loans.

I worked for a branch of Esperanza based in Puerto Plata, on the north coast of the Dominican Republic. My main task was to raise money by posting stories and photographs of loan recipients online. I spent a great deal of my time in the field, interviewing and photographing the recipients. I focused my interviews on their business plans, families, health, assets, and on fun details about their lives (do you like music, dancing, dogs, etc). Performing these interviews also afforded me the opportunity to observe the training, loan distribution, and repayment meetings.

The website through which Esperanza works also requires that journals be written to follow up on the status of the loan recipients for whom the money has been raised. Although success was frequent, it was not guaranteed. Microfinance is only an opportunity, and sometimes circumstances, laziness, or lack of planning interfere and cause business failure.

After my experience this summer, I believe that I have a solid understanding of the operations of Esperanza and of the inner workings of microfinance. I have seen firsthand the effect of microfinance in the lives of the poor. Through this trip, I have significantly improved my Spanish. I also managed to have a blast in a beautiful country in the Caribbean. I would say that the summer has been a success.