

GIVING BACK

Investing in the Women of Ghana

A CEO finds fulfillment by helping tiny African businesses.

BY EILENE ZIMMERMAN

WHEN SHE TURNED 60, DANA DAKIN was in a great place. The investment-marketing firm she'd founded 30 years earlier, Dakin Partners (dakinpartners.com), was so successful that it was turning away business. But Dakin subscribes to the belief that life is lived in thirds—first you learn, then you earn, and finally you return. With the first two stages complete, Dakin wanted to start something.

Building on her knowledge of investing and interest in helping women with entrepreneurship, Dakin decided to start a microlending program for women in the West African nation of Ghana, a country she had studied for her 1964 undergraduate thesis at Scripps College in Claremont, Calif. Dakin named her nonprofit WomensTrust (womenstrust.org) and drew on her entrepreneurial skills to make contacts in Africa.

Dakin visited Ghana in 2003 to look for a place to base the program. Nearly half the country lives in poverty, but she set her sights on the north, where the needs are most extreme, and focused on the village of Pokuase and its 10,000 residents. During a Sunday church service there, she announced her intention to lend money to women with existing businesses. To raise seed capital, Dakin sold her second car for \$18,000, and in November, WomensTrust made its first loans: a total of \$2,022 to 73 women.

The Ghanaian women must apply for \$55 starter loans in groups of four or five, and because none can ask for additional funds until each member of the group pays back her loan, peer pressure lowers default rates. Women in Pokuase typically sell household items such as pots, clothing, and food. One food vendor used a loan to expand her business selling cassavas, a staple of the Ghanaian diet. She was able to buy more cassavas from the grower and expand to other crops.

The interest rate is 13% for a four-month loan. That may sound high, but black-market lenders, common in Ghana, often charge 100% interest for even shorter periods. Dakin says the 13% rate is attractive to the women while compensating for the risk of making unsecured loans to the very poor. The 2006

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—DANA DAKIN, WOMENSTRUST FOUNDER (BELOW RIGHT), IN GHANA WITH CLIENT ADIZA SEIDU



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default rate was 10%, but Dakin expects it to halve in 2007 with improved management practices.

In 2005, Dakin hired a young, educated local woman to manage the program in Pokuase. With her help, Dakin expanded WomensTrust's services to include primary-school scholarships for 11 girls, as well as monthly stipends to needy older villagers. It also runs a literacy class for its loan recipients, 90% of whom sign their name with a thumbprint.

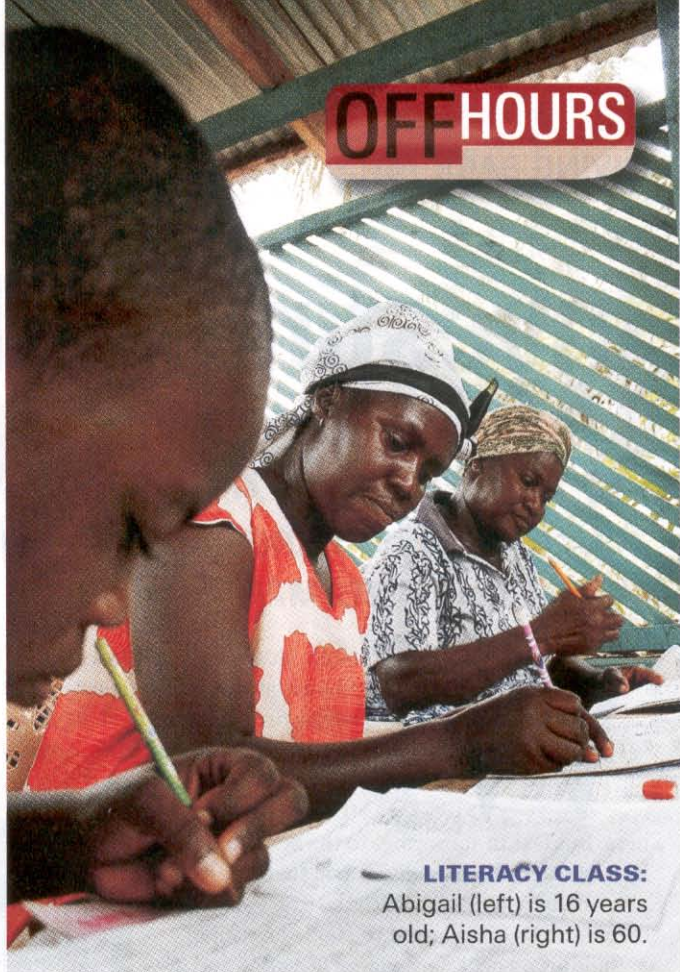
Want to Be an Armchair Lender?

SAN FRANCISCO NON-profit **Kiva.org** enables anyone to lend as little as \$25 directly to specific overseas entrepreneurs. Around 75 businesses seeking cash are listed on the site, with 4,900 more currently paying back their Kiva loans.

"We closed out 2006 with 700 loan clients. We should have 1,000 by this August," says Dakin. The district assemblyman in Pokuase recently gave Dakin a glowing report on the progress of WomensTrust: "There are more young women in business in the village than I can ever remember seeing in my lifetime," he said. □

To give feedback on this article or to tell us about another entrepreneur giving back, please write to fsb_mail@timeinc.com.

OFF HOURS



LITERACY CLASS:

Abigail (left) is 16 years old; Aisha (right) is 60.