



WCCN
Investing for Social Change



Grassroots Connections
Spring 2023

A Note from the Executive Director

WCCN staff and supporters recently returned home from a one-week journey through the Highlands of Guatemala to meet WCCN end borrowers and partners and to participate in both cultural and tourist activities. After three years of relative isolation due to the pandemic I was excited to finally get out of the United States. The warm climes, fresh fruits and vegetables, and the friendly people of Guatemala were all on my mind as I boarded the plane in Madison, Wisconsin early on a frosty morning in January. During the three flights to Guatemala City I had the chance to speak with airplane buddies about WCCN's mission and history. People are continually amazed by WCCN's longevity and the amount of people we are able to support each year through microcredit.

After a few days of travel on my own I joined the group in Antigua, the beautiful colonial capital of Guatemala. We had a truly great group of people on the trip, and we all enjoyed getting to know one another. We had beautiful experiences with end borrowers, partners, and each other as we traversed the curvy roads of the Highlands. It is the dry season in Guatemala in February so we had fantastic views as we moved from the Mayan ruins of Iximche to Lake Atitlán, then to the massive market in Chichicastenango, and finally to Santa Cruz del Quiché before returning to Antigua for a final dinner under the Volcán de Fuego.

What struck me on the trip was the sense of community in the places we visited, and the meaning in everything from the colors of houses to the traditional clothing worn in Maya communities. It was a stark contrast to the isolation I have felt living in the United States, which is not only a result of the pandemic (the pandemic was in Guatemala too), but the nature of global capitalism. While corporate America has begun to infiltrate the region with Shell gas stations, Pizza Hut, Taco Bell, and Dunkin Donuts, most businesses are still owned by individual families. There is something beautiful about strolling up to a comedor (small restaurant), ordering a plate of whatever the owner is cooking that day, and sitting down to eat and commune with whoever shows up. It is a direct transaction. There is no marketing, no rewards program, and no survey to fill out afterwards - just a simple, delicious meal and good conversation. Can you imagine striking up a conversation with someone at the table next to you in the U.S. every time you sit down for a meal?

For many Maya, there is meaning in the woven garments that women and some men wear. The textile design can indicate where a person was born, their social standing, their religious views, and their personality. The color of a house or a gravestone can reveal the same things, along with what the family is wishing for in their future. It was refreshing to spend time discovering meaning in colors, flowers, fabrics, and food - yet another sense of connection to something bigger than ourselves.

No country is without problems, and Guatemala has its share (some as a direct result of U.S. policy). It was good for the soul, however, to travel again and to remember why it is we (you, me, them) are dedicated to supporting everyday people through access to credit and to help create a self-sustaining economy that is not reliant on consumption by people living in the Western world or their stock markets. I hope you have the chance to visit Central America sometime soon as well and have your own life-changing experience.

Thank you for your support of our mission.



Will Harris
Executive Director

*Cover image: Participants of the February Guatemala study tour overlook stunning Lake Atitlán.
Credit: Leilani Yats.*

Updates from WCCN

WCCN to attend Confluence Conference, Central American Microfinance Conference

WCCN will purchase chocolates from Madison, Wisconsin chocolatier Gail Ambrosius to contribute to gift bags for participants at the Confluence Philanthropy Practitioners Gathering.

As a member of Confluence, WCCN will be in Boston from March 7 to 9. The conference will bring member delegates together with foundation leaders, high-net individuals, and their investment advisors who are working at the cutting edge of investing. We are looking forward to the opportunity to meet face-to-face with innovators who are shaking up the financial industry.

WCCN Director of Lending Miguel Jongewaard, Board member Leilani Yats, and consultant Keyla Torres Chavarría will join hundreds of fellow inclusive finance practitioners at the Central American and Caribbean Microfinance Conference this month.

Organized by REDCAMIF (The Central American and Caribbean Microfinance Network) and REDIMIF (the Guatemalan Microfinance Network), the event will take place March 20-22 in Antigua, Guatemala. Participants will discuss green finance, migration, digital transformation, gender equity, and other timely topics.

Staff Transition

Investor Relations and Communications Manager Laura Schroeder has accepted a new position and left her role at WCCN earlier this month. For all investor relations-related matters, you may contact Will Harris (will@wccn.org) or call the office at (608) 257-7230. "It's been a privilege and a pleasure working with such an impactful organization - and with an incredible group of staff, partners, end borrowers, donors, and investors. Thank you for everything! I look forward to seeing how WCCN continues to thrive and to make a positive impact," she says.

Meet our Spring Interns!

Beatrice Timken - Communications and Outreach



Beatrice was born on an island outside Seattle, where she grew up on an organic vegetable farm. She completed her first internship with a local lawyer before moving to England for her undergraduate studies. She is an international bachelor's student obtaining her degree in Human Geography at the University of Manchester. On campus, she is an active member of the universities Equity Diversity and Inclusion Group for her degree program; she is also a Certified Volunteer member of Manchester's Care4Calies. Currently, she is completing a year abroad in Mexico, where she is learning Spanish and finishing an internship with Casa Refugiados in support of the organization's legal team. After university, she hopes to work bilingually in international human rights.

Yiyang Zhou - Data Analysis and Visualization



Yiyang is a graduate student who is currently completing the second year of a master's degree in Agricultural and Applied Economics (AAE) at the University of Wisconsin-Madison. He is passionate about data analysis and visualization. His expertise lies in using different data analysis tools to solve different problems. He can handle software like Python, R, Stata, Tableau, and Excel, using them to create econometrics and machine learning models and do visualization. Yiyang also has a Bachelor's degree in Business Administration. He likes to interact with different people and use his knowledge to help others.

GUATEMALA LEARNING TRIP

From February 4 to 11, a group of WCCN supporters traveled to Guatemala to meet with WCCN's partner institutions and end borrowers. Hosted by sustainable tourism company Naturally Smart Travel, the trip was an opportunity to learn about WCCN's work and Guatemalan culture and history firsthand. Here, we share some perspectives from participants, beginning with WCCN Board member Mark Elsdon.

I have been on the WCCN Board of Directors for six years. I've been a donor and investor for about that same amount of time. I researched and wrote about WCCN in my book about faith-based impact investing, "We Aren't Broke." So I understood what WCCN does and how important our work is in the lives of people throughout Latin America.

But the spreadsheets, loan scorecards, and theory around microfinance all became much more real when I visited Guatemala as part of the WCCN study trip in February 2023.

On one of our first days of the trip we visited ADICLA, a long-term WCCN partner organization located in Sololá, near beautiful Lake Atitlán. We spent the morning learning about their work with more than 6,000 individuals and families throughout the region. The majority of their borrowers are indigenous, women, and live in rural areas - all priority populations for WCCN.

The leadership of ADICLA was especially grateful that WCCN reached out during the pandemic and that we were concerned more about their welfare, and the welfare of their borrowers, than getting paid back (which we did as well).

We then drove around Lake Atitlán to visit with two families who receive credit from ADICLA. The family our small group visited had received a loan to purchase a loom and supplies to make beautiful fabric items for sale. We climbed high up the village hill, and then high up into their modest home, to see how the loom worked and meet the whole family. Some of the women in our group, including my fifteen-year-old daughter, were blessed to have a special fabric decoration braided into their hair (which we appropriately paid for). We then learned that after successfully paying off the loan for their loom this family had taken out another loan to open up a small tienda (shop) to continue to improve their income and other outcomes in their lives.

It was encouraging to witness how a small part of my personal investment in WCCN was being used directly by a family in Guatemala to expand their businesses and improve their lives. My investment in WCCN empowers creative, industrious, and talented people to do great work.

I'm grateful for the opportunity my daughter and I had to visit the beautiful people and country of Guatemala.

-Mark Elsdon, WCCN Board member



Pictured from left to right: WCCN Board members Megan Vander Wyst and Mark Elsdon, ED Will Harris, and Board member and Naturally Smart Travel founder Leilani Yats in Guatemala.

"We were impressed by our visits to local lending partners..."

My wife I just returned from a site visit to micro-finance programs in Guatemala. It was a delightful and rewarding experience of the wonderful sights and people we found in that beautiful country. We were very fortunate to be curated by Naturally Smart Travel and were shepherded to some of Guatemala's most memorable sites. We will never forget Lago Atitlán, nor "puffing volcanoes" and "fire on the mountain," lava flows at midnight, nor the incredible markets and Maya ruins.

Now let me share some of what we learned about how micro-finance helps families create a better life for themselves with the support of small, short term loans for their businesses: weaving, coffee farming, and more.

WCCN collects investments from people like us, promising a fixed rate of return equal or better than today's T-Bills and most CDs, then in turn lends the funds to local nonprofit organizations in 9 Latin American countries, who in turn make the micro (small) loans to entrepreneurs. WCCN is one of several such organizations, but WCCN focuses its support on mostly rural communities and women.

We were impressed by our visits to both the local lending partners of WCCN and some of the women who are receiving small loans which enable them to buy the raw materials needed to make the products they sell. The small loans are like those many small businesses here receive (factoring) to manage cash flow needs pending final delivery of their products.



The group poses after cooking and eating a meal together on their last day.

In rural areas of Latin America there are very few organizations able or willing to support these people. Many of the partner organizations which WCCN supports have lending agents who travel by motorcycle to visit those needing loans; these agents provide education and assistance to the small entrepreneurs as well as serving as credit analysts and loan officers.

Enough said, except to say that we are moving some of our savings from T-Bills and CDs this year to WCCN. Gaining a decent amount of earnings, while providing much-needed opportunity for women and families in poor regions of our neighboring countries, which also helps to reduce the need of the young to migrate to our borders.

-Jim Moore



Jim Moore (left) with tour guide Tania Salazar (right) at a cooking class.



A puff of smoke rises from Volcán de Fuego outside of Antigua.

A highlight of the trip for many study tour participants was making a traditional Guatemalan meal with guide Tania Salazar and her family. The group first picked out fresh food from the market. In the photo to the right, group members enjoy coconut water after finishing up with their shopping. Making estofado de pollo together was the perfect way to wrap up the trip and to reflect on everyone's favorite moments together.



In the photo to the left, Leilani Yats, María Isabel Lopez, and Will Harris pause for a photo at WCCN partner Servigua's headquarters. The group met with staff at WCCN's partner institutions to learn more about their missions, histories, and day-to-day tasks.

Vincent Stanzione (pictured in a black shirt in the lower right photo), has lived in Guatemala since 1988 and shared his knowledge of Maya history and culture with the group throughout the trip: "I like living life in a place where myth and history live on through the descendants of the ancestors who showed the way to living the good life long, long ago. There is no end to our learning about the magical, mythical, and even mystical world of the Maya."

He accompanied the group on visits to microfinance partner headquarters to learn how small loans can improve the lives of business owners. "Relatively easily attained credit has transformed the Western Highlands, especially for those who don't want to migrate north and would rather stay at home with their families in their ancestral lands. I give thanks for making my life with the Maya but after spending time with all the great people from WCCN I feel like there is so much hope. The Maya women and men who we met with were the future I doubted would ever exist three decades ago: lawyers, business administrators, accountants, doctors, nurses, dentists...the list goes on and on," he says.



"...a simple but significant way we can live in global solidarity with individuals around the world."

We all have unique identities, identities that inform our perspectives and influence the opportunities we have throughout our lives. During my time in Guatemala on the WCCN study tour I did a lot of reflecting on my own identity. I thought about the fact that I identify as a White woman from suburban Wisconsin. I also have a university education, speak English as my primary language, and am a United States citizen. And many aspects of my identity afford me the privilege of accessing traditional financial services, while others are systemically excluded and institutionally oppressed.

During the WCCN study tour in San Antonio Palopo and San Antonio Ilotenango, families who received microloans from microfinance institution (MFI) partners of WCCN welcomed us into their homes. These families earn income through traditional weaving of Guatemalan cortes, or skirts, worn by many Guatemalan women. Through sharing in conversation I learned about the intricate and thoughtful symbolism of each corte, the demanding manual process of weaving, and about the impact credit has had on their businesses and families. Credit has allowed both of these families to obtain better equipment, which has increased their productivity and ultimately increased their profit. This profit allows them to do things like access transportation to obtain nutrient-dense foods not available in their community, build a small kiosk store on the front of their home to provide supplemental income, and send their children to school.

It is frustrating that in 2023 individuals around the globe continue to face discrimination in many aspects of their life including, but not limited to, equitable access to financial services. While large-scale systemic reform to the policies and procedures of existing financial institutions needs to occur to achieve true equity, MFIs are actively working to eliminate the access gap. MFIs do this intentionally by not only providing loans to the underbanked and unbanked, but they also function in a way that centers the borrower - such as having their staff visit the borrowers rather than requiring the borrowers to spend their time and money getting to a central MFI office. In addition to the loans MFIs provide, the MFI partners that WCCN works with also provide a range of social services to their borrowers including health care services, financial literacy classes, and gender equity initiatives.

Microloans allow the individuals we met with in Guatemala, and borrowers all over the world, to leverage their existing knowledge and skills to define their own entrepreneurial growth. Microloans provide individuals a means to bring to life self-identified solutions. As you read this article I would encourage you to reflect on your personal identity, and how your identity has influenced your access to financial services. If you are interested in using your financial resources to provide meaningful support to small entrepreneurs in Latin America who don't share that same access to financial services, please consider joining me in making a donation or investing in WCCN. It is a simple but significant way we can live in global solidarity with individuals around the world.

-Megan Vander Wyst (she/her/hers/ella) (pictured to the right)
Vice President, WCCN Board of Directors





Will Harris (left) speaks with staff at Guatemalan partner Servigua about their recovery from the pandemic.

Guatemala is the largest economy in Central America; however, over half of its population lives in poverty. The COVID-19 pandemic ended 30 years of economic growth. Although the government responded swiftly with temporary cash transfers to poor households, issues such as chronic malnutrition persist, with indigenous populations being disproportionately affected. WCCN's Guatemalan partners are making a positive impact by offering financial and social services to groups that have been excluded from the formal financial system. WCCN has lent out a total of \$9,658,000 to Guatemalan microfinance institutions and cooperatives since 2009, continuing to channel funds from generous supporters to local organizations working each day to fight poverty and discrimination.

ADICLA

Since 2015, WCCN has partnered with ADICLA, an institution located in Sololá, a sub-tropical highland department in the west of Guatemala that overlooks the sprawling Lake Atitlán. ADICLA serves 6,630 clients, 70% of whom are indigenous. Founded in 1993, ADICLA offers individual and group loans along with housing loans. The institution also partners with community organizations on reforestation and health campaigns.

ADIGUA

The Guatemalan Association for Integrated Development (ADIGUA) was founded in 2003 in Sololá. It focuses its products and services on rural women and families, many of whom work in agriculture. Indeed, 90% of its 4,000 clients live in rural areas. ADIGUA also offers financial literacy trainings to borrowers and community members. The average loan size to borrowers is \$1,116.

Meet WCCN's Guatemalan partners.

Servigua

Servigua is headquartered in Santa Cruz del Quiché, where it serves just under 1,000 borrowers, 63% of whom are women and 93% of whom are indigenous. Servigua provides individual and group loans for housing, agriculture, clean water, and clean energy. It also offer social services including classes on sustainable agriculture and financial literacy. WCCN and Servigua have been partners since 2018.

WCCN, Social Services, and the United Nations Sustainable Development Goals

Beyond financial services, 90% of WCCN's partner microfinance institutions offer social services, reaching 489,000 people with health care, financial literacy classes, youth programs, and more. These social services complement the financial services offered and address communities' most pressing needs. They also align with a variety of the United National Sustainable Development Goals (SDGs). Adopted in 2015, the 17 SDGs are a call to action to fight poverty, promote peace, and protect the planet. They are also a useful framework for WCCN and our partners to measure and communicate about our impact. The majority of our partners set goals that align with the SDGs.

Learn more about some of their impactful social programs in the chart below, created by fall 2022 intern Merry Ding.

WCCN PARTNERS UN SUSTAINABLE DEVELOPMENT GOALS ALIGNMENT: NON-FINANCIAL SERVICES # OF PARTNERS (PARTNERS MAY ALIGN WITH MULTIPLE GOALS)

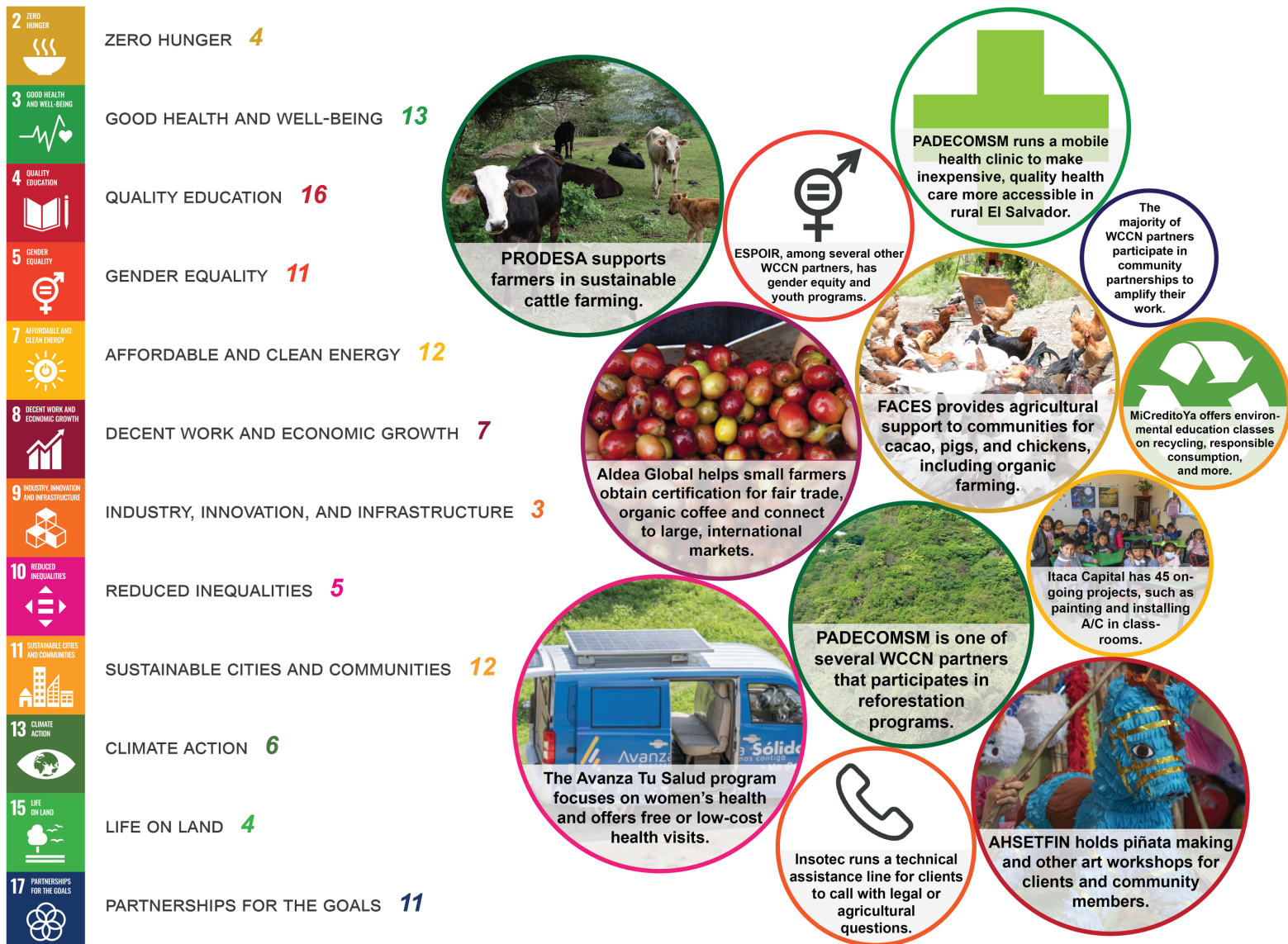


Chart: Merry Ding

In the News



Check out the latest on a new high-security prison in El Salvador, upcoming elections in Guatemala, and a surprising discovery in Peru.

El Salvador

2,000 suspected gang members have been moved to a new high-security mega-prison as part of President Nayib Bukele's war on crime. The prison will eventually be able to house 40,000 people. While some applaud these actions, human rights groups have decried Bukele's approach to law and order, arguing that efforts to reduce gang violence must address the root causes of gang membership, including economic insecurity.

Guatemala

Elections for president, vice president, Congress, 20 different members of the Central American Parliament, and 340 mayors will be held on June 25, with a potential presidential runoff on August 27. Voting in Guatemala is compulsory, and with 28 different parties vying for positions, this is a high-stakes election. Among the list of presidential hopefuls is Zury Ríos, daughter of General Efraín Ríos Montt, who seized power in a coup in 1982 and in 2013 was convicted of ordering acts of genocide as president.

Peru

Authorities found something unusual in a man's food cooler delivery bag last month: a 600-800-year-old mummy! It is unclear how the man, who was in a park in Puno with friends when the abnormal picnic guest was apprehended, got the remains. The Peruvian Ministry of Culture has taken the mummy into its custody, claiming it as a national cultural asset.

MARCH IS INTERNATIONAL WOMEN'S MONTH!

March is International Women's Month, with International Women's Day taking place on Wednesday, March 8. This year's theme is Embrace Equity, with campaigns, protests, panels, and events slated to center around the intersection of technology, innovation, and gender equity. In addition, WCCN's partners will host a variety of events to highlight their commitment to advancing financial inclusion and providing access to social services such as preventive health screenings for women. Currently, 49% of women in Latin America have a bank account, and only 11% have access to credit. However, the economic gender gap is beginning to close. Alongside our amazing community of partners and supporters, we are proud to do our small part, one woman, one business, and one family at a time.

Borrower Spotlights

José Tzoc (right) apprenticed with a tailor in Chichicastenango, Guatemala for five years. Then, he struck out on his own, making intricate jackets and vests. He sells these products to a wholesaler in Chichicastenango who markets them across the country. Every 15 days he, his sister, and his brother-in-law create roughly 100 pieces of clothing. A small loan from WCCN partner Servigua allowed him to purchase raw material and two looms that he installed in a small adobe building near his home.

"Having access to this credit has helped me to build my business from the start and now I can improve our house and the life of my family," he says.



Cruz Adelaida Arroyo Gomez (left) sells tamales three days a week in the market to support her family. She took out her first loan with WCCN partner Avanza Sólido in Mexico in 2019 to buy ingredients to sell her tamales. This was necessary for her after the pandemic hit; she went from selling 800 tamales per day to only 120 tamales, or 300 to 400 at peak times. She has taken out loans to pay for her kids' education, which she says have especially helped during the pandemic. As one of many people affected by COVID-19, Cruz has been able to keep her business profitable. Cruz has been the main provider for the family since her husband is illiterate and has had a difficult time finding work. Her goals are to be able to pay for school for her kids, to grow her business, and to put a better roof on the house.

Miriam Lizeth Rivera (right) is painter outside of Tegucigalpa, Honduras who creates colorful designs on wood and canvas. In 2015, she took out a 15,000 lempira loan (around US \$660) from WCCN partner AHSETFIN to buy art supplies. Before her loan she was grossing 1,000 lempiras (US \$44) a week and now she makes 5,000 lempiras (US \$224) a week.

Miriam has three daughters, all of whom are college graduates thanks to the growth of her business. In the future, she wants to build an amphitheater on her property where local artists can display their work.





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Who is the beneficiary of your investment with WCCN? Naming a beneficiary is easy and ensures that your investment is safeguarded. You may name a friend or family member as a beneficiary, or consider naming WCCN as the beneficiary of your investment to guarantee a lasting legacy of services to low-income entrepreneurs in Latin America.

Please email info@wccn.org or call us at (608) 257-7230 to request a Beneficiary Designation Form. If you have any additional questions or would like to make a planned gift to WCCN, we encourage you to reach out.

We're looking forward to another great year at WCCN. As always, thank you for your support!

Founded in 1984, Working Capital for Community Needs (WCCN) is a 501(c)(3) nonprofit impact investing fund whose mission is to create opportunities for access to microfinance, services and markets to improve the lives and communities of the working poor in Latin America.