Innovations

Effects of Microfinance Services on Clients' Socio-Economic Status: A Case of Community Development Microcredit Finance Company Limited (CDM) in Busika, Kalagala, Luwero District, Uganda

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Abstract : Generally, the study aimed to determine the effects of CDM's microfinance services on clients' socio-economic status.This study covered 50 clients. These were selected through a simple random sampling method from a list of active and inactive beneficiaries of Community Development Micro-credit (CDM) finance company implemented by Francis Atuhaire in Busika, Kalagala sub-county, Luwero district, Uganda. Using the Input - Process - Effect Model (IPE) of Weiss (1972) modified to suit the purpose of this research, where qualitative and descriptive design was adopted. More than half of the respondents (56%) were male. With the mean age of 36. The majority were (66%) married,while, 72.0 percent were engaged in non-business occupations.Clients have agreed that their attitude towards debt does not affect them on acquiring loans from CDM with the highest mean of 4.10 of highly favorable description clients value debt as an important thing which should be paid back and with an overall mean of 3.72. CDM services which include: loan amount, collateral interest rate loan period, and capability building, the findings of the study have indicated with the overall mean of 3.65 that CDM finance services have increased clients' income and also helped them to provide with the needs to their families. The study revealed the highest mean of 3.56 indicating that the system of group security for clients in accessing the loan is difficult to comply with, and with an overall mean of 3.25 clients rated the demand of collateral fair.It was observed that loans allow clients to be able to provide for their families, this was revealed with the highest mean score of 3.96 and overall mean of 3.81 with a description of agreement that they have achieved for their family basic needs and they have become more stable than before.There is an effect on health. At least some clients have been able to visit the health center because of the benefits from the company though they don't have savings for an emergency. The study found out that age and education attainment is very important characteristics of the clients as a key in the successful loaning scheme. Mature people are more knowledgeable in terms of the experience of acquiring loans and they participate better in training and seminars conducted by CDM. Follow-up qualitative studies using other parameters should be undertaken to cover other people directly or indirectly affected/benefited by Community Development Microcredit Finance Co. Limited (CDM). Such follow-up studies should also include assessment of the internal services like the management, human resource, the economic gap between clients and the company's personnel, the misconception the company has on its clients, removing impossible collateral for the low-income clients, and increasing the loan period for repayment so that clients have more time to work and earn their profit not only profit for the company; reducing the interest rate from 4% to the level of the rural poor; and other processes that may be involved in the company's success that seem to be pressing the clients.

Keywords: 1. Microfinance 2.Socio-Economics 3.Community Development 4.Microcredit 5. Finance

Introduction

Microfinance in Uganda, like in any other country, is prioritized as a major key policy strategy for poverty reduction. Inadequate access to credit by the poor has been identified as one of the contributing factors to poverty. For sustainable poverty reduction, the policy emphasizes the sustainability of the MFIs in delivering services to the poor. Mugabi (2010) argues that the key reason for the continued advancement of the poverty trap is the lack of access to credit in enabling the poor to take advantage of economic opportunities.

It has been observed that microcredit institutions have contributed significantly to poverty alleviation in impoverished communities. Thus, assessment of the performance of Community Development Microcredit Finance Co. Ltd (hereafter, CDM) Limited, which was established in 2004 in Busika, will be done. The establishment of Busika CDM results from a response to the suffering of women who depended on their husbands for the provision of necessities of life. This happened when Mr. Atuhaire Francis, the founder and managing director of the company had his practicum at the District Probation Office of Luwero District. While on the job training, Mr. Atuhaire saw that there was an economic gap between men and women. This gave him a vision of realizing that since a big percentage of women were not involved in the economic activities in the district, action should take place to rescue them.

After more than ten years since its founding, there have been reports of successful clients availing the services of the Community Development Microcredit Finance Co. Ltd., however, the general socio-economic condition of the people in Busika remained low.

Objectives of the Study

Generally, the study aimed to determine the effects of CDM's microfinance services on clients' socio-economic status.

Specifically, the study sought to do the following:

1. To describe socio-demographic and economic characteristics of the clients of CDM;

2. To determine the clients' attitude towards debt in terms of local traditions on debt and personal experience of CDM' clients in acquiring loans;

3. To describe the CDM services in terms of finance and non-finance;

4. To find out the perceived effects of CDM services in terms of income and health of clients;

5. To determine the relationship between socio-demographic and economic characteristics, clients' attitude towards debt, and the effects of CDM services;

6. To determine the relationship between clients' attitudes towards debt and the perceived effects of CDM services;

7. To determine the relationship between CDM services and perceived effects on income and health of the clients; and

8.To identify the problems encountered by the clients and their suggested solutions.

Hypotheses

The following null hypotheses were tested in this study:

1.There is no relationship between socio-demographic and the following c economic characteristics, clients' attitudes towards debt, and the CDM services.

2.There is no relationship between socio-demographic and economic characteristics and the perceived effects of CDM services.

3.The is no relationship between clients' attitudes towards debt and the perceived effects of CDM services.

4.There is no relationship between CDM services and the perceived effects on income and health of the clients.

Scope of the Study

The study was conducted in Busika village, Kalagala sub-county, Bamunanika County, Luwero district. Kalagala is located in the Central region of Uganda.

The study dealt with the effects of the economic status of the Community Development Microcredit Finance Co. Ltd services in Busika village on the socio-economic status of its clients in Kalagala sub-county, Luwero District. and also, the study analyzed the socio-economic conditions of the household of clients before and after becoming members of CDM Co. Ltd.

Review of the Related Literature

Ketu (2008) illustrates that the first school of thought on microfinance treated financial institutions as essential linkages in economic activities for lifting people's welfare. In addition, this is where differences in both quantity and quality of services are provided and explained to people who are clients of microfinance agencies and why countries grow at different rates. Levine (2005) concurs with Ketu (2008) in asserting that microfinance credit loans improve growth in the economy of any community.

The loan effect should allow the individual to enjoy the benefits of loaning at any time especially for small businesses. Loans should help without looking at ones' long track record. Achievement of the loan clients can only be positive when the terms of institutions' offers are not stringent. For this reason, business owners should weigh the advantages and disadvantages of bank loans against other means of finance before trying any institution for loaning (John DeMerceau, N.d; Thompson, N.d).

In addition, high-interest rates increase the costs for repayment. As a microfinance company with a target in an active poor community who cannot afford to access financial services from the formal financial institutions, CDM would lower its interest rates, collateral requirements and simplify all services to enable this group of people to improve their standards of living and save for their children education (Nabayinda, 2014).

Field (2011) states that when clients of microcredit are given a grace period before beginning paying back the loan it is a great ideal for their profit especially the small and low-income businesses. According to the research carried out in India on the long-run effects of repayment flexibility in microfinance show that clients who were allowed a two-month grace period before beginning repayment invested nearly 9.4% more of their loan amount into their businesses compared to those who were given the standard schedule. Also, the same clients with a grace period reported weekly profits from their businesses of about 30% higher on average than those without the grace period. The field continues to say that this contributed to household incomes that were on average 16-19% higher for grace period clients.

Secondly, Karama (2007) indicates that there are also personal factors and they include: multiple loans, misallocation of the loan fund, resting, transfer/migration, sickness, giving birth, and death. In addition to that, there are also family issues that can cause dropout of clients. This can be through husbands stopping their wives from doing businesses, husbands interdicted, giving money to family members, death, and marriage failure.

The Initial assessment revealed that most small-scale businesses entrepreneurs possess limited business skills and do not keep complete financial records, and have very little information on how to access credit services (Olaitan, 2006). The training program is designed to respond to the areas of potential improvement and focuses on basic principles of running a private practice and credit management (Walter, 2004). He continues to say that despite the micro information that the informal lenders possess, the informal sector seems to be an imperfect substitute for formal financial lending. Furthermore, informal training may have a positive effect on the growth of small-scale businesses.

Studies on health stress that the health status of individuals depends on how financially well-off the family functions (Myers, 2015). According to the research carried out in the UK in 2013, it was observed that when the head of a family is financially weak the development of children is affected (Cooper and Stewart, 2013). Mainly, it can be affected mentally and physically. Studies further indicate that less well-off children have worse cognitive, social-behavioral, and health outcomes because their self-esteem tells them that they are poorer (Myers, 2015).

It is observed that low-interest loans make health care services more available for the poor. This applies to CDM in Busika in a way that the loan scheme should be essential in providing households with steady income which in turn can enable clients to afford healthcare services and gain healthier to perform better in their duties (Unite for sight, 2015).

Methodology

The study employed both quantitative and qualitative methods of research to gather data.
The study population included all clients who participated and registered in CDM of Busika community for the years it has last not exceeding 2016 of operation time which gave a total number of 50. The questionnaire was used to collect the data.

Findings

Socio-Demographic and Economic Characteristics(Shown in Table 1)

Regarding with age of the clients, it was noted in the review of literature that age is one of the factors that establish the socio-economic status of the individual. With the mean age of 36.4 and ranging from young as 24 to old as 56 years old, 34.0% of the clients were found below 30 years old, 38.0% are in their 31 to 40 years old and 20.0% are in the age of 40 to 50 years old, while the remaining 8.0% of the clients are in the age of 50 years old and above.

The results have revealed that more than half (56.0%) of the clients are male, while 44.0% are female. Results on marital status show that 33 (66%) of the clients are married while 17 (34%) of the clients are widows, single, and separated from their spouses.

It was found out that almost all clients only attended primary, secondary and tertiary schooling. Education is a necessary tool in helping the clients understand microcredit, the results show that 17 (34%) of the clients have attended tertiary schooling, and clients who attend or finish secondary schooling were 17 (34%), while the remaining 16 (32%) attend primary schooling. Lack of education means lesser knowledge and understanding, lesser participation, and lesser chance of availing of financial services. Clients of microcredit need to attain some level of education for them to effectively carry on with sustainable life.

Regarding ethnicity, the results show that 50% or half of the clients belong to the dominant Baganda ethnic group while the remaining 50%t of the clients belong to other ethnic groups which are composed of Itesot, Bagisu, Bakiga, Bakonzo, Banyankole, Banyole, and Basoga.

Regarding occupation, the results revealed that only 28% of the clients have their small businesses while 72% of the clients were engaged in a non-business occupation which consists of casual worker/vendor, farmer, hairstylist, housewife, mechanic, nurse, student, tailor, and teacher. The higher level of earnings resulting from higher employment levels enables workers to spend more on the education and skills formation of their children.

About family, income clients have indicated that their monthly income ranges from $12–$200 with a mean of US$80. The family income is derived from all sources including but not limited to business and salaries/wages from employment.

Microfinance services have changed the lives of its clients from living under the poverty line of US$ 1.90 or below per day to living above the poverty line as shown by the income figures stated below. This means that CDM loans services if used productively, can raise the standard of living, though still needed in the community because the earnings of the majority of people are still comparatively significantly low.

Clients' attitude towards debt

Regarding clients' attitudes towards debt, as shown in Table 2.The results have revealed with the highest mean of 4.10 of highly favorable description that clients value debt as an important thing that should be paid back. Likewise, the study has revealed clients' attitudes towards the debt with an overall mean of 3.72 indicating that clients have got experience of valuing debts because they believe that when they utilize it properly, they get the profit to provide for the needs of their families. This means that clients of CDM have a positive attitude towards debt and they prioritize it as their obligation to bring it back to the company at the right time. Nevertheless, clients have indicated with the lowest mean of 3.10 not favorable that when they get a loan they keep in mind that it will be enough for them to start something good for their families.

CDM Services: Finance

Perceived adequacy of loan amount availed

The findings of the study have indicated with the overall mean of 3.65 that CDM finance services have increased clients' income and also helped them to provide with the needs of their families. On the other hand, the findings of the study have revealed that some of the clients availed moderately adequate with the lowest mean of 3.28 indicating that the amount availed was not enough to stabilize the status of their income and being able to support their families. However, they indicated with the highest mean of 4.18 adequate description that the money they borrowed doubled their income (Table 3).

The loan amount and year availed

The results in Table 4 reveal the initial loan amount each client availed from CDM. Forty-eight percent of the clients were able to avail at least from $150 and below; 32 percent were able to avail at least between $150 - $180 and only 20.0% were able to avail $180 and above worth the loan. Secondly, the results revealed that 4 (8%) of the clients availed the loan in the year 2010 and below; 13 (26%) of the clients availed their loan between 2011-2012; 24 % of the client availed their loan from2013-2014 while 42% of the clients availed their loan in 2015. The same results revealed that 6% of the clients paid back their loan at least in 2010 and below;28 paid back their debt between 2011-2012; 30% of the clients paid their debt between 2013-2014 while 36 of the clients paid their debt in 2015.

Clients perception of the collateral as a requirement of availing loan

Results in Table 5, revealed that the collateral required for the acquisition of a loan is a big hindrance to the clients' development. The results have shown with the highest mean of 3.56 indicating that the system of group security in accessing the loan is difficult to comply with. This gave an overall mean of 3.25 where clients rated the demand of collateral fair. This indicates that collateral in acquiring a CDM loan is one factor for some clients to hold back.

Clients perception of interest rate

Table 6 represents the Interest rate that CDM offered to their clients. The results revealed an overall mean of 3.36 indicating that the interest rate is fair for some of the clients. With this result, it means that CDM has either a high-interest rate for low-income beginners of the loaning services and rural half-educated people.

Clients perception ofthe loan period
The results of the study show that CDM clients are comfortable with the loan period given with the highest mean of 3.80 indicating that the period given is long enough for some of them. Clients further indicated that the period gave stimulate working hard to get a profit because they can get a profit after the overall repayment of the loan. This was shownin Table 7withan overall mean of 3.59 that the period is long. Central to that some clients rated the loan with fair.

Non-Finance services

Capacity building service adequacy

Surprisingly, results in Table 8, revealed that not all clients have received any training. Training gives clients of microcredit the knowledge concerning income improvement. The study results have revealed with the highest mean of 3.94 that the training given by CDM has improved clients' psychological attitudes. More still, the findings of the study as shown in table 8, indicate with the overall mean of 3.74 that clients have received adequate training from CDM services. This indicates that clients have developed their skills and gained more knowledge for them to have confidence in dealing with different situations they encounter in the loaning services.

Perceived effects of CDM services on income

Regarding perceived effects of CDM service on income, the study outcome has revealed with an overall mean of 3.81 (Table 9) with clients' agreement that CDM services helped them financially to get income. With such description, it means that the loan has allowed clients to be able to provide for their families. With the highest mean of 3.96, clients indicated that they can buy scholastic materials for their children because of the loan profit,which means that clients have become more stable than before. Similarly, with the lowest mean of 3.70 clients agreed that the repayment period has helped them to service the loan, meaning they it helped in the increase of income.

Perceived effects of CDM services on health.

The perceived effects of CDM services on the health status of the clients in this study have given an agreement description of 3.59 that the loan has helped them deal with health issues. While with the highest mean of 3.86 clients indicated that paying back the debt reduces their stress.   But still, clients agreed with the lowest mean of 3.42 that the loan services have helped them to educate themselves about the benefits of health as indicated inTable 10.

Relationship between socio-demographic and economic characteristics, clients' attitude towards debt, and SDM services.

The findings of the study on the correlation between socio-demographic and economic characteristics, clients' attitude towards debt, and SDM services as shown in Table 11, it was revealed that Age was also found to be significantly correlated with non-financial services of CDM. This means that mature are more knowledgeable in terms of experience by acquiring loans and they participate better in training and seminars conducted by CDM. Sex was also found significantly correlated to non-financial services but negatively. This shows that regardless of sex differences, CDM provides its services equally. Secondly, the education attainment of clients was found to be negative but highly significantly correlated with clients' attitude towards debt; and educational attainment was also found to be highly significantly correlated with finance. This means that the lower the education attainment the more they consider their attitude towards debts hence maintaining their economic status. On the other hand, ethnicity was found not to be correlated with any of the CDM services.

Correlation between socio-demographic and economic characteristics and perceived effects ofCDM services

Results in Table 12 below show that there is no significant correlation between socio-demographic and economic characteristics and the perceived effects of CDM services. This means that at whatever age, sex, married or not, highly educated or not, any religion and any ethnic group with any occupation do not affect the income and health of the clients.

Correlation between clients' attitude towards debt and perceived effects of CDM services

According to the results in Table 13, we see that clients' attitudes towards debt are positive but significantly correlated to perceived effects in income. This means that the more they look into their attitude the more experience in acquiring a loan, hence the more it will improve their income. On the other hand, health was found not significantly correlated with clients' attitudes towards debt.

Correlation between CDM services and perceived effects on income andhealth of the clients.
Table 14, reveals the findings of the study by showing that CDM services except loan amount are positive but significant and highly significant correlated to its effects on income. Meaning, the more they availed themselves of the CDM services the more it will increase their income. Secondly, health was found only to be positive but significant to capability building. This means that the more they attended training, the more their health will be improved.

Problems encountered by the clients
Regarding the problems encountered by the clients, the finding of the study as shown in Table 15, has revealed that even though 40% of the clients did not indicate any problem they may have encountered, 34% of the clients stressed that they need more time for loan repayment because they are helpless.

Suggestions and recommendations of CDM clients
Table 16, indicates that 28.0% of the clients suggested that CDM should give their clients a long period to repay their loan so that they can be able to continue getting more loans from them.

On the other hand, 26.0% of the clients suggested that CDM should also consider clients with low income not to be required to have collateral as one of the major requirements in acquiring loans from CDM.

Conclusion

Guided by the theoretical and conceptual framework used and from the results, the following conclusions were drawn:

The result of this study validated the reported socio-demographic and economic effect of the company on the rural communities in the district of Luwero.

There has been a notable increase in income among the company's clients with the high recommendation that CDM always provides quality financial services to clients.

Third, it was evident that the CDM company has affected the community of Busika, Kalagala, Luwero districts. It was observed that loans allow clients to be able to provide for their families.

At least some clients have been able to visit the health center because of the benefits from the company though they don't have savings for an emergency.

Age and education attainment is very important characteristics of the clients as a key in the successful loaning scheme. The hypothesis that there is no relationship between socio-demographic and economic characteristics, clients' attitudes towards debt, and the CDM services was partly rejected.

Recommendations

1.Follow-up qualitative studies using other parameters should be undertaken to cover other people directly or indirectly affected/benefited by Community Development Microcredit Finance Co. Limited (CDM). Such follow-up studies should also include assessment of the internal services like the management, human resource, the economic gap between clients and the company's personnel, the misconception the company has on its clients, removing impossible collateral for the low-income clients, and increasing the loan period for repayment so that clients have more time to work and earn their profit not only profit for the company; reducing the interest rate from 4% to the level of the rural poor; and other processes that may be involved in the company's success that seem to be pressing the clients.

3.Give more training to clients on self-esteem to improve their level of openness among themselves and to external persons who may improve their conditions.

4.The company should indicate the purpose of why they do the business so that whoever may purchase from them is also empowering them. On the other hand, the company should organize volunteer services in the areas like health promotion, education for children, and Functional Adult Literacy (FAL) to the community to give more morale to its clients.

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Disclosure statement

The authors declare that they have no competing interests.

Table 1. Socio-Demographic and Economic Characteristics

Variables	Total	
	N=50	**Percent**
Sex		
Male	28	56.0
Female	22	44.0
	50	100.0
Age		
≤ 30 years old	17	34.0
31-40 years old	19	38.0
40-50 years old	10	20
> 50 years old	4	8.0
	50	100.0
Mean	36.4	
SD=	8.65	
Range=	24-56	
Marital status		
Single	4	8.0
Separated/ Divorced	7	14.0
Widow/ Widower	6	12.0
Married	33	66.0
	50	100.0
Occupation		
Businessman/businesswoman	14	28.0
Nonbusiness	36	72.0
	50	100.0

Family income		
≤ $200.00	10	20.0
Between $200.00 - $100.00	21	42.0
Between $100.00 - $50.00	11	22.0
>$ 50.00	8	16.0
	50	100.0
Mean=	$80.00	
SD=	$24.00	
Range=	$12.00 –$200.00	
Educational attainment		
Elementary/Primary	16	32.0
Secondary	17	34.0
College/Tertiary	17	34.0
	50	100.0
Ethnicity		
Baganda	25	50.0
Other Ethnic Group	25	50.0
	50	100.0
Religion		
Protestant	26	52.0
Roman Catholic	11	22.0
Moslem	13	26.0
	50	100.0

Table 2. Clients' attitude towards debt

Statements	Mean	Description
1. I value debt as an important thing that should be paid back.	4.10	Highly favorable
2. I used the loan to put up my business...	3.68	Favorable
3. I utilize the loan and get profit during the given period.	4.06	Favorable
4. Obtaining loan services from CDM is very good for my self-esteem.	3.86	Favorable
5. When I borrowed money, I do keep in mind that I have to work hard and pay it back.	3.88	Favorable
6. When I get a loan I keep in mind that it will be enough for me to start something good for my family.	3.10	Not favorable
7. I value the profit from the loan as enough to provide for the basic needs of my family.	3.36	Not favorable
Overall Mean	3.72	Favorable

Table 3. Perceived adequacy of loan amount availed

Statements	Mean	Description
1. The money I borrowed doubled my income.	4.18	Adequate
2. The money I borrowed was not enough to start a small business.	3.28	Moderately Adequate
3. The profit from the loan is enough to provide for the basic needs of my family.	3.42	Adequate
4. The profit helps me to support my children education	3.78	Adequate
5. The amount I received helped me increase my stock.	3.78	Adequate
6. I plan to get another loan because it is helpful.	3.66	Adequate
7. I have been able to start my enterprise because of the profit from the loan	3.68	Adequate
Overall Mean	3.65	Adequate

Table 4. The loan amount and year availed

Variables	Total n=50	Percent
The initial amount received from CDM was		
≤ $150	24	48.00
Between $150 - $180	16	32.00
$180>	10	20.00
Total	50	100.00
Mean=	$87	
SD=	$48	
Range=	$200-$50	
Year of receiving the loan		
≤2010	4	8.00
2011-2012	13	26.00
2013-2014	12	24.00
2015>	21	42.00
Total	50	100
Year of ending the loan		
≤2010	3	6.00
2011-2012	14	28.00
2013-2014	15	30.00
2015>	18	36.00
Total	50	100.00

Table 5. Clients perception of the collateral as a requirement of availing loan

Statements	Mean	Description
1. System of group security in accessing the loan.	3.56	Difficult to comply
2. CDM loan security is required for availing loan.	3.10	Fair to comply
3. The demand for loan security to access the loan.	3.30	Fair to comply
4. The demand for guarantees in accessing the loan.	3.28	Fair to comply
5. The type of collateral required from low-income earners.	3.14	Fair to comply
Overall Mean	3.25	Fair to comply

Table 6. Clients perception of interest rate

Statements	Mean	Description
1. The 4% should remain constantfor all clients of CDM.	3.26	Fair
2. The 4% interest is not affordable for all members of CDM	3.36	Fair
3. Interest rate helps me to get more profit for savings.	3.10	Fair
4. I am comfortable with the interest charged at CDM	3.38	Fair
5. The interest rate is affordable only for some people.	3.32	Fair
6. CDM should give an interest-free loan to a low-income earner.	3.72	Low
Overall Mean	3.36	Fair

Table 7.Clients perception ofthe loan period

Statements	Mean	Description
1. The time required for loan repayment is 6 months	3.80	Long
2. CDM repayment period is 6 months for all clients.	3.60	Long
3. CDM should not give more time than 6 months.	3.32	Fair
4. The payment period given does not hinder the progress of the clients.	3.54	Long
5. Clients of CDM need more time for loan repayment.	3.58	Very short
Overall Mean	3.59	Long

Table 8. Capability building service adequacy

	Statements	Mean	Description
1.	1. CDM offers training 2 times a year which is good for its clients to develop their skills	3.80	Adequate
2.	2. CDM should offer training every month to encourage its clients to work to together through training services.	3.92	Adequate
3.	3. The training services offered quarterly give morale to clients in improving their businesses	3.74	Adequate
4.	4. After the training, my skills increase andthe result I get is financial gain.	3.90	Adequate
5.	5.The training has given me the knowledge to use to increase my monthly income by 10%	3.74	Adequate
6.	The training skills I get from CDM has helped me to deal with the different situation...	3.76	Adequate
7.	CDM has given its clients quality training.	3.66	Adequate
8.	I am now an independent business person because of the training skills.	3.56	Adequate
9.	The training has improved my psychological attitude.	3.94	Adequate
	Overall Mean	3.74	Adequate

Table 9. Perceived effects of CDM services on income

	STATEMENTS	MEAN	DESCRIPTION
1.	The loan has increased my monthly income.	3.74	Agree
2.	The repayment period has helped me to service the loan	3.70	Agree
3.	The loan period has helped my family to achieve its basic needs	3.96	Agree
4.	My children can eat lunch now from the loan profit.	3.86	Agree
5.	The loan has given extra money to my family's income.	3.88	Agree
6.	I can buy scholastic materials for the children because of the loan profit.	3.94	Agree
	Overall Mean	3.81	Agree

Table 10. Perceived effects of CDM services on health

STATEMENTS	MEAN	DESCRIPTION
1. Loan profit has given me access to reducing stress.	3.70	Agree
2. I can educate myself on the benefits of healthy.	3.42	Agree
3. Getting a loan lessened my psychological attitude towards health aspects caused by poverty.	3.68	Agree
4. Paying back the debt reduces my stress.	3.86	Agree
5. I can improve the sanitation in the family.	3.56	Agree
6. CDM has trained me how to deal with money for good health.	3.54	Agree
7. Handling loans does not stress me anymore.	3.58	Agree
8. CDM has given me the good position of taking my family for medical check-up.	3.38	Agree
Overall Mean	3.59	Agree

Table 11. Relationship between socio-demographic and economic characteristics, clients' attitude towards debt, and CDM services

	Clients' attitude towards debt				CDM Services	
Variables	Clients' attitude towards debt		Finance		Non-financial	
	R	p-value	R	p-value	R	p-value
Age	-.074	.610	-.112	.438	.342*	0.15
Sex	-.197	.171	-.173	.229	-.292*	.040
Education attainment	-.478**	.000	-.403**	.004	-.183	.204
Ethnicity	-.267	.061	-.252	.078	.035	.811

**. Correlation is significant at the 0.01 level (2-tailed)
*. Correlation is significant at the 0.05 level (2-tailed)

Table 12. Correlation between socio-demographic and economic characteristics and perceived effects of CDM services

	Effects	
Socio-demographic and economic	Income	Health
Age	.235	-.027
Family Income	-.243	.046
Occupation	.270	.121
Ethnicity	-.060	-.050
Sex	-.103	-.144

Table 13. Correlation between clients' attitude towards debt and perceived effects of CDM services

	Effects	
Clients' attitude towards debt	Income	Health
Personal experience	.315*	.115

Table 14. Correlation between CDM services and perceived effects on income and health of the clients.

CDM Services	Effects	
	Income	Health
Loan amount	.212	.245
Collateral	.334*	.198
Interest rate	.370**	.276
Loan period	.420**	.195
Capability building	.381**	.308*

Table 15. Problems encountered by the clients in availing CDM services

Variables	Total	
	n=50	Percent
1. Most of us are rural people who do not have any education that gives them a monthly salary.	5	10.00
2. We are farmers and we do not have sustainable monthly income but we only rely on subsistence farming to earn something and since we are peasants, we have to wait for seasons of farming.	2	4.00
3. We complain that the interest rate and loan period gave are hard to meet. But because it is mandatory, we have to make sure we return the money on time and we remain with nothing.	6	12.00
4. We need more time for repayment because we are helpless when it comes to this.	17	34.00
5. Not indicated any problem	20	40.00
Total	50	100.00

Table 16. Suggestions to the problems encountered by CDM clients

Variables	Total	
	n=50	Percent
Suggestion/ recommendation that you can give CDM to reduce poverty?		
No suggestion	10	20.00
Reduce interest rate	13	26.00
Reduce loan period	14	28.00
Should not get any collateral from clients who are below poverty level	13	26.00
Total	50	100.00