

## IMPACT SURVEY IN THE RURAL MICROFINANCE PROJECT OF TAYTAY SANG KAUSWAGAN, INC. (TSKI) IN THE PROVINCE OF ANTIQUE

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### ABSTRACT

This study was conducted to assess the impact of Rural Microfinance Project of *Taytay Sang Kauswagan, Inc. (TSKI)* in the Province of Antique. The study areas were the Municipalities of San Jose, T. Fornier, and Anini-y, all in the province of Antique. Target respondents were TSKI clients for at least 3 cycles. The respondents in the study were generally clients of Taytay Sang Kauswagan, Inc. (TSKI) for more than 2 years already. Results of the study revealed that all of the respondents were granted P3,000.00 as their initial loan. At the time of the study, they have an average accumulated loan value of P25,906.91. The respondents generally perceived that their household and individual incomes have increased. Since they have their own enterprises, the client-respondents have not worked for others for pay. During the last two years, the majority of the respondents have acquired additional household assets. More than half of the client-respondents have also made house repairs, improvements or extensions. Overall, more than half of the client-respondents reported a slight improvement and about one-fifth perceived great improvement in their quality of life after joining the program. Their perceived quality of life was observed to be positively related to the perceived levels of adequacy of credit, consultancy of training services, which the respondents have availed at very adequate, slightly adequate and adequate levels, respectively.

### INTRODUCTION

#### *Background and Rationale*

*Taytay Sang Kauswagan, Inc. (TSKI)* is a Non-Government Organization, the vision of which is to see self-sufficient families responding to the needs of their community and pursuing a collective effort for their development. In order to realize this vision, TSKI operates with a mission of making the love of Jesus Christ felt by the poor in our midst by helping them restore their dignity and worth as human beings through economic and social upliftment.

One of the projects of TSKI that leads to the attainment of their vision, goals and objectives is its PKK project. PKK is an acronym that stands for “*Proyekto Kauswagan Sa Katilingban*” or Project for the Development of the Community. It is a mechanism and movement geared towards poverty alleviation. It is hinged on the two-pronged objectives of TSKI, i.e., the development of capabilities of poor individuals (for them to have a better life better income, food, access to education and health care, increase in owned assets) and to become productive, responsible, and God-loving citizens.

One of the many areas where TSKI has opened its doors is the Province of Antique. Like other TSKI clients in many areas of the country, TSKI clients in Antique are also saying that the program had a great impact not only to their community but also to individual clients. Positive feedbacks are often received by TSKI personnel from their clients but they do not have a clear scenario on the extent to which they have influenced their clients, particularly the women, in different areas of the country.

### *Objectives of the Study*

This study was conducted to assess the impact of the Rural Microfinance Project of *Taytay Sang Kauswagan, Inc.* (TSKI) in the Province of Antique. Specifically, the study aimed to (1) determine the beneficiaries’ perceptions on the effect/impact of their participation in the TSKI program to their families and as persons; (2) determine the relationship between the services offered by TSKI (credit, consultancy and trainings) and the change in the quality of life of the clients; (3) determine client satisfaction with program services; and (4) determine issues and concerns, and recommendations of respondents about the program.

## METHODOLOGY

The modified impact survey interview schedule and the client satisfaction tool for the SEEP/AIMS Project were used to realize the above objectives. The study areas which were predetermined by the research team and their TSKI counterparts were the Municipalities of San Jose, T. Fornier, and Anini-y, all in the province of Antique. Target respondents of the impact survey as well as the Focus Group Discussions (FGD) participants were TSKI clients for at least 3 cycles. A total of 288 clients were interviewed and five FGDs were conducted.

Table 1. Distribution of Survey Respondents (N = 288)

LOCATION	MUNICIPALITY	NO. OF RESPONDENTS
URBAN	San Jose	45
RURAL	T. Fornier	91
	Anini-y	152
<b>TOTAL</b>		<b>288</b>

All the gathered data were processed and analyzed using Epi Info 2000 software. Qualitative information on matters such as client satisfaction were summarized and tabulated for convenience in narrative presentation, discussion and analysis.

### MAJOR FINDINGS

The respondents in the study were generally clients of Taytay Sang Kauswagan, Inc. (TSKI) for more than 2 years already (60.4 %). The bulk of the respondents (48.6 %) joined the TSKI-PKK program in 1999. Almost all of them (94.8 %) have availed of three or more loans with an average savings in the program of P2,071.16 (Table 2).

Results of the study also revealed that all of the respondents (100 %) were granted P3,000.00 as their initial loan. At present, they have an accumulated loan value of P25,906.91, on the average and were on the average of 4.3 loan cycle. They were generally (75.7 %) up-to-date in their loan repayment with more than half of them having a current loan of P8,000 and above. The majority of the respondents (87.8 percent) have not missed any loan cycle.

The respondents were generally females (99.3 %), of middle age (43.1 years old on the average), married (81.3 %) and completed an average of 9.2 school years or third year high school level of education. Their average household size is 5.8, with a mean number of 3.2 adult members (18 years or over) and a mean number of 2.5 children (17 years or younger). These results are also shown in Table 2.

Table 2. Summary Table of Respondents' Profile (N = 288)

Respondents' Profile	Modal Category/Mean	Number	Percent
Length of Membership	More than 2 yrs	174	60.4
Year of Membership	1999	140	48.6
Number of loans availed	Three or more	273	94.8
Average amount of savings	P 2,071.16		
Amount of initial (first) loan	P3,000	288	100.0
Average cumulative loans	P 25,906.91		
Average loan cycle	4.3		
Loan repayment	On time	218	75.7
Amount of current loan	P 8,000 and above	161	55.8
Number of loan cycle missed	None	253	87.8
<b>Personal Background</b>			
Sex	Female	286	99.3
Mean age	43.1		
Marital status	Married	234	81.2
Ave. school yrs completed	9.2 yrs (Third Year HS)		
Mean household size	5.8		
Mean no. of adult members	3.2		
Mean no. of young children	2.5		

As shown in Table 3, slight positive changes were observed in the number of working household members and the number of household members who have regular jobs before and after joining the TSKI program. The results also revealed that 241 or 83.7 % of the respondents have children of school age. Although the majority of the respondents (53.1 %) perceived that their school expenses for the current year has increased compared to the past year, the majority of the respondents (56.6 %) also find sending their children to school relatively easier after they have joined the TSKI program.

Table 3. Distribution of Client-Respondents Before and After Joining TSKI According to Selected Impact Indicators (N = 288)

Impact Indicators	Before		After	
	Number	Percent	Number	Percent
Number of Working Household Members				
None	12	4.2	8	2.8
1 - 2	223	77.4	233	80.9
3 - 4	37	12.8	42	14.6
More than 4	16	5.5	5	1.7
Mean	1.9		1.9	
Number of Household Members with Regular Jobs				
None	123	42.7	122	42.4
1 to 2	154	53.5	149	51.7
3 to 4	10	3.5	14	4.9
More than 4	1	0.3	3	1.0
Mean	0.8		0.9	
How they Find Sending their Children to School				
Very easy	4	1.4	16	5.6
Easy	104	36.1	163	56.6
Barely able	48	16.7	36	12.5
Hard	70	24.3	19	6.6
Very hard	5	1.7		
Don't know	4	1.4	4	1.4
Not applicable	53	18.4	50	17.4
Total	288	100.0	288	100.0

Although almost all of the respondents (95.1 %) claimed that they have invested their latest loan in an income generating activity (Table 4), the majority of the respondents also claimed that they have used part of their loan for other purposes like buying food for their household (76.4 %) and keeping money on hand for emergency or repay loan (64.2 %).

Given their income generating activities, the respondents generally perceived that their household and individual incomes have increased (Table 5). Since they have their own enterprises, 84.4 % of the respondents have not worked for others for pay because they worked only for their own enterprise (Table 6).

Table 4. Distribution of Client-Respondents As to Whether or Not They Have Invested Their Latest PKK Loan in an Income Generating Activity and Other Purposes (N = 288)

Categories	Number	Percent
Invested Latest Loan		
Yes	274	95.1
No	14	4.9
Total	288	100.0
Other Purposes (Multiple Response)		
Buy food for household	220	76.4
Buy clothes and other household items	96	33.3
Give or loan money to spouse or someone else	63	21.9
Keep money on hand for emergency or repay loan	185	64.2

Table 5. Distribution of Client-Respondents According to their Perception of their Household and Individual Income (N = 288)

Income Perception	Household Income		Individual Income	
	Number	Percent	Number	Percent
Decreased greatly	1	0.3	3	1.0
Decreased	21	7.3	31	10.8
Stayed the same	102	35.4	98	34.0
Increased	158	54.9	151	52.4
Increased greatly	2	0.7	1	0.3
Don't know	4	1.4	4	1.4
Total	288	100.0	288	100.0

Table 6. Distribution of Client-Respondents As to Whether or Not They Have Worked for Someone Else for Pay (N = 288)

Categories	Number	Percent
Yes	45	15.6
No	243	84.4
Total	288	100.0

Commercial enterprises are generally regarded by the respondents as their highest income earner. Mostly on a weekly production cycle, the respondents could spend an average of P2,596.92 and realize an average sales of P3,857.45 and a profit of P1,393.71 per cycle (Table 7). The profit that the clients realized from their enterprises were mostly used in buying food (70.3 %), paying for school expenses (36.6 %) and in buying household items (18.7 %). The majority of them (62.2 %) also have cash savings and most of them (45.2 %) shared that their personal cash savings has increased (Table 8).

Results of the study show that the majority of respondents have acquired most of their assets during the last two years. Majority of the respondents who owned most of the assets claimed that these were acquired when they were program members (Table 9). More than half (55.9 %) of the client-respondents have also made house repairs, improvements or additions during the last two years. Results further revealed that the majority (63.5 %) reported that their diet condition have not changed during the mentioned period while about one-third (33.3 %) reported that it has improved. Only 8 respondents shared that their diet has worsened. Results also show that half (51.7 %) of the respondents have experienced not having enough money to operate their enterprise in the last twelve months for 1 to 3 months. However, a little more than half (53.1 %) expressed no difficulty in loan repayment. Overall, more than half (53.1 %) of the client-respondents reported a slight improvement in their quality of life and nearly one-fifth (18.8 percent) said that it has improved greatly (Table 10).



Table 7. Distribution of Client-Respondents According to their Best Enterprise, Production Cycle, Cost of Production, Sales and Profit per Cycle (N = 288)

Categories	Number	Percent
<b>Specific Enterprise</b>		
Commerce	182	74.0
Manufacturing	25	10.2
Service	11	4.5
Agriculture	39	15.8
Others (sari-sari store)	6	2.4
<b>Production Cycle</b>		
Daily	95	38.6
Weekly	133	54.1
Every two weeks	2	0.8
Monthly	16	6.5
<b>Cost of Production Per Cycle (Php)</b>		
500 and below	49	19.9
501 – 1500	65	26.4
1501 – 3000	52	21.1
3001 – 4500	28	11.4
4501 – 6000	19	7.7
Over 6000	32	13.0
No answer	1	0.4
Mean = Php 2,596.92		
<b>Total Sales per Cycle (Php)</b>		
500 and below	30	12.2
501 – 1500	61	24.8
1501 – 3000	47	19.1
3001 – 4500	33	13.4
4501 – 6000	17	6.9
Over 6000	56	22.8
No answer	2	0.8
Mean = Php 3,857.45		
<b>Profit per Cycle (Php)</b>		
500 and below	101	41.1
501 – 1500	69	28.0
1501 – 3000	38	15.4
3001 – 4500	17	6.9
4501 – 6000	9	3.7
Over 6000	10	4.1
No answer	2	0.8
Mean = Php 1,393.71		

Table 8. Distribution of Client-Respondents According to their Principal Ways of Using Profit from Enterprises, Personal Cash Savings and the Trend of their Personal Cash Savings (N = 288)

Categories	Number	Percent
Principal Ways		
Buy food	173	70.3
Pay school expenses	90	36.6
Buy household items	46	18.7
Personal Cash Savings		
Have	179	62.2
Don't have	109	37.8
Cash Savings Trend		
Decreased greatly	4	2.2
Decreased	30	16.8
Remained the same	60	33.5
Increased	81	45.2
Increased greatly	1	0.6
Don't know	3	1.7
Total	179	100.0

Table 9. Distribution of Client-Respondents According to their Assets Owned (N = 288)

Assets	N	%	Acquired Last Two Years				Acquired as Program Member			
			Yes		No		Yes		No	
			n	%	n	%	n	%	n	%
Modest Value										
Radio/Tape player	228	79.2	149	65.4	79	34.6	125	54.8	103	45.2
Chairs/benches/tables	227	78.8	149	65.6	78	34.4	129	56.8	98	43.2
Mid-Range Value										
Gas range	121	42.0	80	66.1	41	33.9	63	52.0	58	48.0
Refrigerator	102	35.4	64	62.7	38	37.3	52	50.9	50	49.1
Television	125	43.4	80	64.0	45	36.0	67	53.6	58	46.4
High-range value										
Motorcycle	33	11.5	23	69.7	10	30.3	16	48.5	17	51.5

Table 10. Distribution of Client-Respondents According to their Living Conditions After Joining the TSKI PKK Program (N = 288)

Living Conditions	Number	Percent
House Repairs/Improvements		
Yes	161	55.9
No	126	43.8
Don't know/No answer	1	0.3
Diet Condition		
Worsened	8	2.8
Remained the same	183	63.5
Improved	96	33.3
Don't know/No answer	1	0.3
Not Having Enough Money to Operate Enterprise		
Yes	149	51.7
No	138	47.9
Don't know/No answer	1	0.3
Difficulty in Repaying Loan		
Yes	134	46.5
No	153	53.1
Don't know/No answer	1	0.3
Perceived Quality of Life		
Improved greatly	54	18.8
Improved slightly	153	53.1
Similar	66	22.9
Declined slightly	12	4.2
Declined greatly	2	0.7
No answer	1	0.3
Total	288	100.0

All of the client-respondents have availed of credit services. The majority were able to avail consultancy and training services. These were rated by most of the respondents as very adequate, slightly adequate and adequate, respectively (Table 11). The perceived levels of adequacy of credit, consultancy and training services availed by the client-respondents were observed to be positively related to their perceived quality of life after joining the TSKI-PKK program (Table 12).

Table 11. Distribution of Client-Respondents According to their Perceived Level of Adequacy of TSKI Services Availed (N = 288)

Services	Level of Adequacy											
	Very Adequate		Slightly Adequate		Adequate		Inadequate		Very Inadequate		No Answer	
	n	%	n	%	n	%	n	%	n	%	n	%
Credit	117	40.6	82	28.5	67	23.3	10	3.5	1	0.3	11	3.8
Consultancy	41	23.6	60	34.5	57	32.8	5	2.9	7	4.0	4	2.3
Training	56	33.7	44	26.5	61	36.7	0	0.0	1	0.6	4	2.4

Table 12. Gamma Value, Level of Significance and Significance of the Relationship of Credit, Consultancy and Training Services to Perceived Quality of Life of TSKI Client-Respondents (N = 288)

Factors	Gamma Value	Level of Significance	Significance
Credit and Quality of Life	0.175	0.031	Statistically significant at 0.05
Consultancy and Quality of Life	0.174	0.027	Statistically significant at 0.05
Training and Quality of Life	0.078	0.292	Statistically not significant

The three things the client-respondents like most about the TSKI-PKK program are the lower interest rate, the other financial services of the program such as savings and insurance and the weekly meetings and prayer meetings (Table 13). Generally, the respondents did not identify things which they don't like about the program.

Although the majority (59.0 %) of the client-respondents are already contented with the program, a considerable proportion of the client-respondents, suggested that processing and releasing of loans, and especially savings withdrawals should be sped up, the mode of payment should be modified, staff have to be more active/efficient, and interest rate should be reduced (Table 13).

Table 13. Distribution of Client-Respondents According to the Three Things They Like Most About the PKK Program and Their Suggestions About the PKK Program

Categories	Number	Percent
<b>Three Things Most-Liked by Clients</b>		
1. Lower interest rate than other informal credit sources	97	33.7
2. Other financial services, such as savings/insurance	66	22.9
3. Weekly meetings/prayer meetings	58	20.1
<b>Suggestions</b>		
No comment	170	59.0
Fast processing/releasing of loans	51	17.7
Mode of payment	25	8.7
Active/efficient staff	18	6.2
Reduced interest rate	10	3.4

## CONCLUSIONS AND RECOMMENDATIONS

The impact of the program to the clients is indicated by the slight positive changes in the observed number of household members who were working and have regular jobs before and after joining the TSKI program, the majority of the respondents find sending their children to school relatively easier after joining the TSKI program even with increasing school expenses, the perceived increase in their household and individual income and the great majority of the clients who have not worked for others for pay because they have worked solely in their own enterprises. It is further indicated by the majority of the respondents having increasing personal cash savings, some households acquiring household assets, making improvements in their houses, improved diet condition and having no difficulty in repaying their loans.

Overall, more than half of the client-respondents reported a slight improvement and about one-fifth perceived great improvement in their quality of life after joining the program. Their perceived quality of life was observed to be positively related to the perceived levels of adequacy of credit, consultancy and training services, which the respondents have availed at very adequate, slightly adequate and adequate levels, respectively.

Since the majority of the client-respondents are already contented with the program, they did not give anymore suggestions. However, a considerable proportion of the client-respondents, suggested that processing and releasing of loans, and especially savings withdrawals should be faster, the mode of payment should be modified, TSKI needs more active/efficient staff, and interest rate should be reduced.

Based on the above findings and to maximize the positive impact of the program on the lives of the clients, it is recommended that the above recommendations of the clients should be considered and carefully studied. The program should also intensify the provision of individual technical assistance/consultancy and training services to clients to achieve a certain level of adequacy. The specific needs of the clients should be assessed to serve as basis in the provision of these services. There is also a need to periodically review the loan packages, from initial loan size to succeeding cycles, to make adjustments to current economic realities.

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