

VisionFund Uganda Impact Survey Report- March 2023

Introduction



VisionFund Uganda conducted the first impact survey in September 2022 giving us deep insights into the impact of our work. Our first impact study spelt out how our loans impacted the lives of our clients, their children, and businesses. As part of our strategic ambition for FY25, VisionFund Uganda aims to impact 360,000 children in the peri-urban, rural, and vulnerable communities while at the same time aligning the footprint with World Vision Area Programs. It is through the impact surveys that we can assess the progress towards this objective and celebrate our achievement.

VisionFund Uganda, through call centre, conducted a second impact survey in March 2023, six months after the last survey was done, to continue evaluating the transformational change in the lives of our clients and their children resulting from the products and services implemented through our operations

A random sample of 270 clients was considered with a 90% confidence level and a 5% margin of error. The average time taken to complete one interview per client was about 15 minutes.

Rationale

The results from our current impact survey will continue to inform management on how our loans and other financial services impact our clients' lives, businesses, and children. Furthermore, the results will provide insights into how satisfied our clients are with our products and services, enabling us to design effective strategies to meet their needs better, maximize impact, and raise our profile.

Scope of the survey;

The survey findings are segmented into the following sections;

- I. Client profile
- II. The impact of our products and services on children.
- III. Outcome and impact (client income, client quality of life, and financial management)
- IV. Client satisfaction (Net Promoter Score).
- V. Client voices (powerful client feedback on our products and services)
- VI. Recommendations

Section I. Client's profile

This impact survey was conducted with 270 clients. The demographic information of the respondents by gender, loan cycle, income source, age, repayment history, and number of days in arrears at the time of survey is shown below.



Fig 1. Clients surveyed by gender



Fig 2. Clients surveyed by loan cycle

Clients Surveyed by Source of Income



Fig 3. Clients surveyed by income source

Clients Surveyed by Age Range

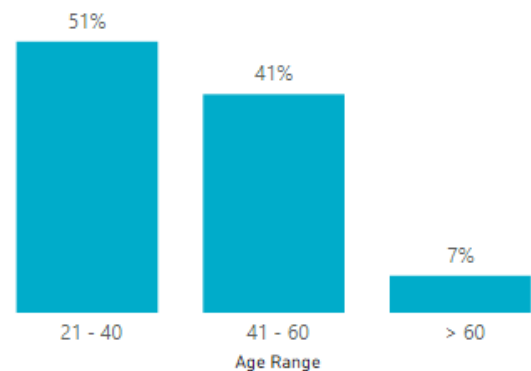


Fig 4. Clients surveyed age range

Is Most Recent Loan Repa...

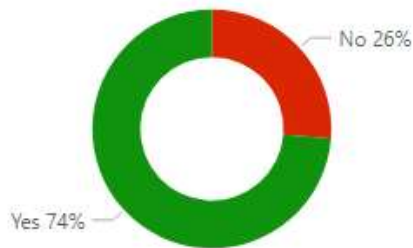


Fig 5. Clients repayment status

Clients With Delinquency ...

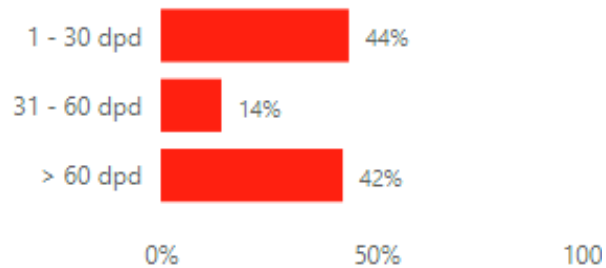


Fig 6. Number of days past due date

Section II. The impact of our work on children

Of the 270 clients interviewed, 265 had children under their care (98%) totalling 1,178 and an average of 4.5 children per client.

The respondents were asked how their previous loans had benefitted their children, and the top three outcomes reported were;

- i. Children under the age of 18 years were able to stay in school or training because fees were paid (86%)
- ii. Sufficient clothing and shoes (35%)
- iii. All healthcare costs were paid (28%)

The graph below summarizes the child well-being outcomes reported by the 265 clients.

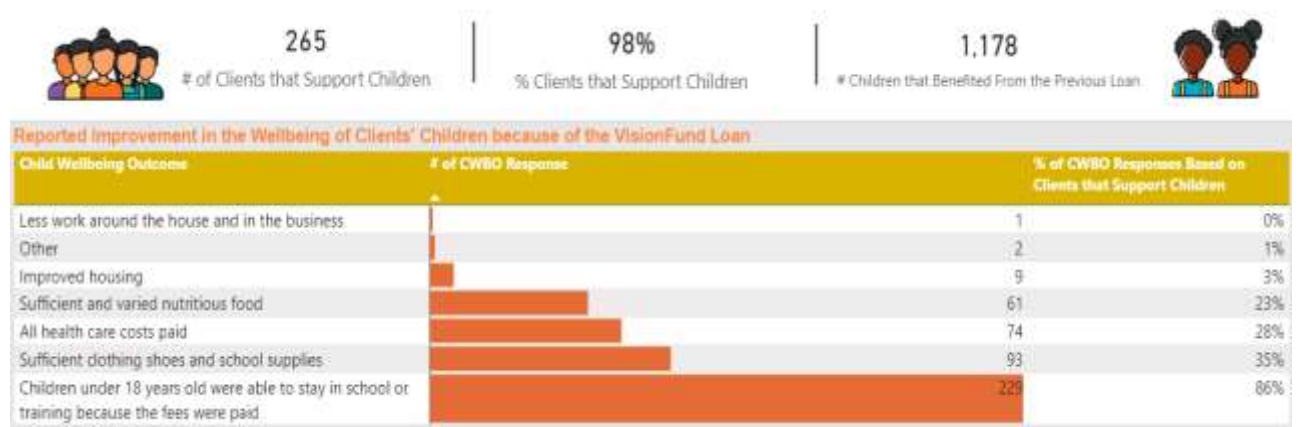


Fig 7. Child well-being outcomes

We have seen an increase in the proportion of clients supporting children from 90% as of September 2022 to 98% in March 2023. Part of our strategic ambition for FY2025 is to sustainably impact over 360,000 children in the peri-urban, rural, and vulnerable communities while aligning the footprint with World Vision Area Programs.

Section III. Outcomes and Impact (Client income, quality of life, and financial management)

B: Loan main goal

All clients interviewed borrowed loans mainly for livelihood (83%) and family purposes (17%). There were no significant differences in loan main goals by gender. When asked whether they had achieved their initial loan goals, 94% of clients reported they had achieved their goals, with 52% reporting they achieved the goal in full and 42% partially achieved their goals.

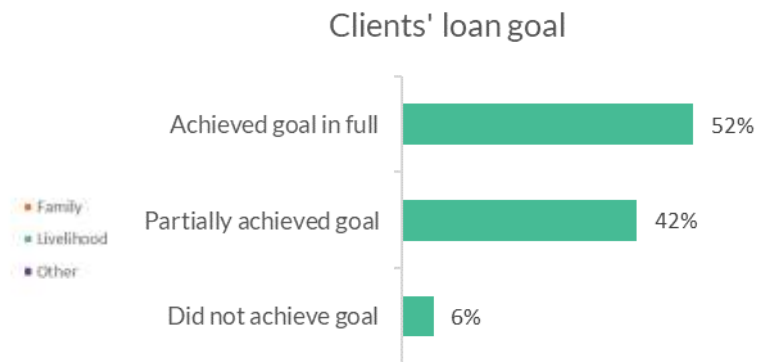
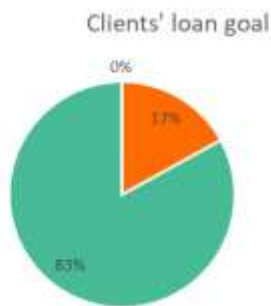


Fig 8. Clients main loan goal

Fig 9. Clients loan goal achievement

The results from the survey show a positive correlation between loan goal and goal achievement. As shown in the chart below, clients who take loans for livelihood purposes are more likely to report they achieved goal in full compared to those who take loans for family use.

Clients Surveyed by Goal Achievement Status and Loan Main Goal

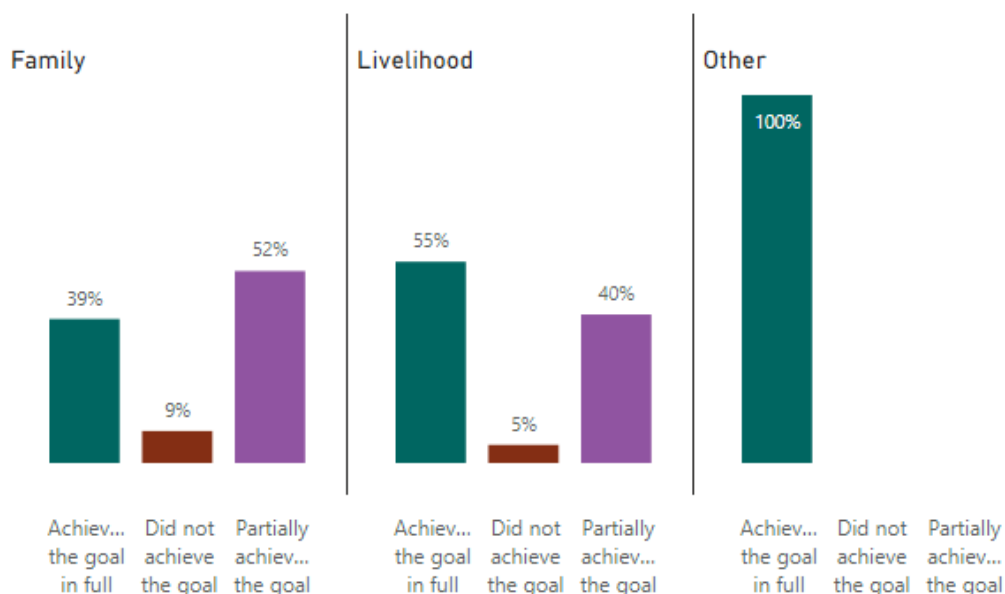


Fig 10. Correlation between loan main goal and goal achievement

From the current survey results, the proportion of clients who achieved their main loan goals increased by 8% between September 2022 (90%) and March 2023 (98%). This is evidence that when clients invest their loans in income-generating activities, their businesses improve and they are able to repay their loans while at the same time taking good care of their children.

B: Change in income

We encourage our clients to use loans for income-generating activities, which is evidenced by the findings above where over 80% of clients report taking loans for livelihood purposes. To measure whether clients were recording changes in income, they were asked whether their income had changed from the time they took loans from VisionFund Uganda. **Ninety-five percent (95%) of clients reported an increase in income, with 49% reporting “very much improved,” 46% “slightly improved,” and only 4% reporting “no change.”**

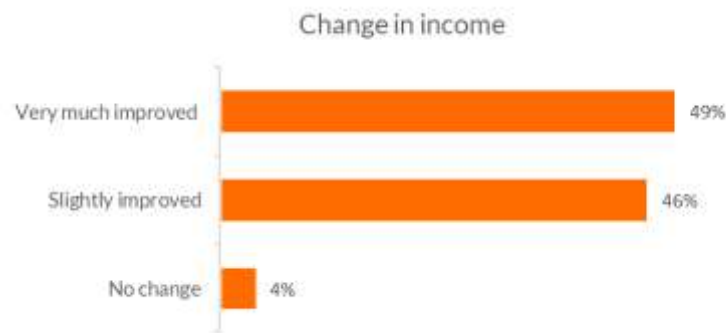


Fig 11. Client reported change in income

We compared the results in change in income between September 2022 and March 2023 results. Our results indicate that a slightly higher proportion of clients (49%) report increased income compared to September 2022 (44%).

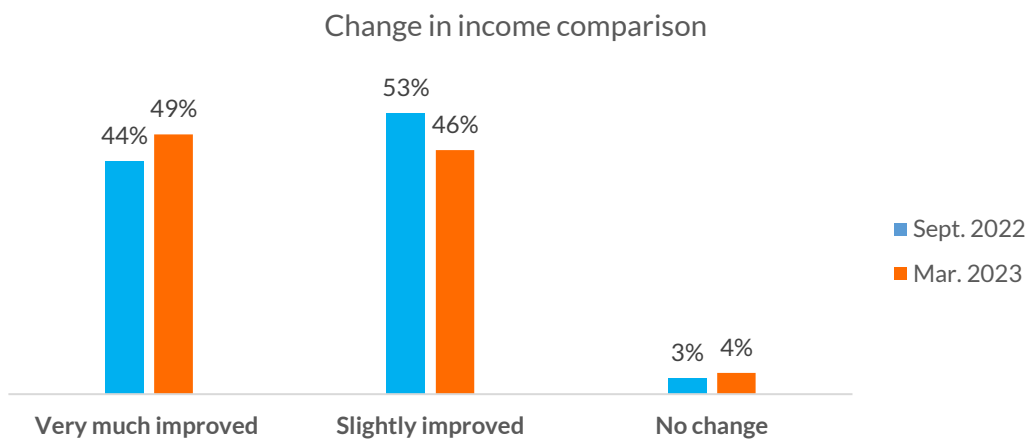


Fig 12. Client reported change in income: Current vs. previous survey results

C: Change in Quality of Life

To measure clients’ quality of life due to VisionFund Uganda’s loans, clients were asked to imagine a ladder with steps numbered zero to ten, where zero represents their worst possible life and ten represents their best possible life, and indicate where they felt they were before and after the loan. Eighty-nine percent (89%) of the clients reported improved quality of life after receiving loans from VisionFund Uganda. Five percent (5%) of clients said their lives had remained the same, while 6% reported that their quality of life had worsened.

The chart below shows clients quality of life before and after the loan from VisionFund Uganda

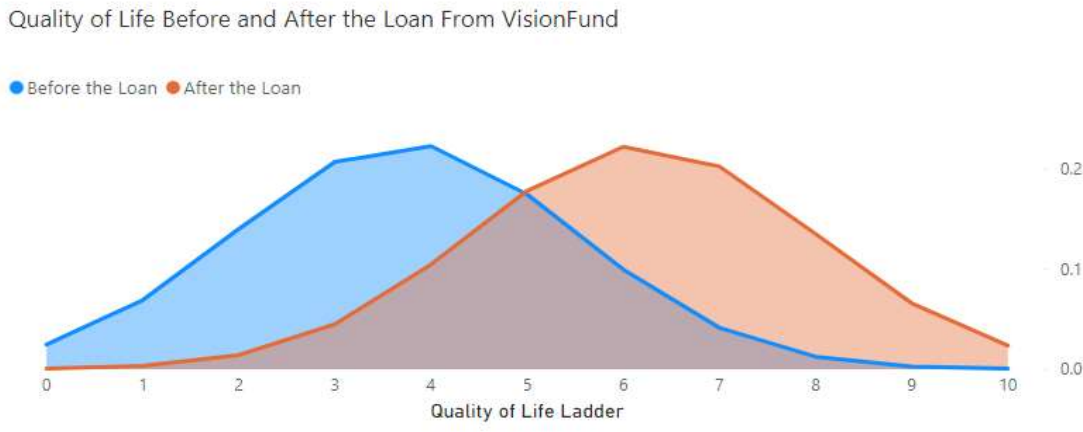


Fig 13. Clients quality of life before and after loan from VFU

The results indicate a slight decline in the quality of life of our clients, from 96% in September 2022 to 89% in March 2023. We assume this is due to the increasing cost of living in the country.

VisionFund Uganda remains committed to supporting our clients with affordable products to ensure they can handle the increased cost of living and inflation without negatively affecting their quality of life.

There were no significant differences in change in quality of life by gender. However, the results showed that more clients aged 21-40 reported improved quality of life compared to those aged over 40. Clients in commerce or trade business also reported a slightly more improved quality of life (95%) compared to those in other sectors, as shown below;



Fig 14. Clients' movement on the quality of life ladder

D: Change in feelings of financial control

Clients were asked if their feelings of financial control had changed because of VisionFund Uganda.

Results indicate that 95% of all clients interviewed reported an improvement in the feeling of control over their finances as a result of the loans and education received from VisionFund Uganda, with 58% reporting “**very much improved**” and 37% “**slightly improved**”. Some of the clients reported that before borrowing, they would mismanage their finances but after they started working with VisionFund, they have learned to control their expenses.

There were no differences in gender and feelings of financial control. From the results, more clients above the age of 60 (11%) reported that their feelings of financial control had not changed. It will be important for VisionFund Uganda to consider the training needs of clients in this age category to enable them improve their financial control.

Comparing feeling of financial control by source of income, wage earners reported the highest improvement in feelings of financial control with 64% reporting “**very much improved**” while those in production or industry business reported the least with only 18% reporting “**very much improved.**”

The figure below shows the change in feelings of financial control;



Fig 15. Clients feelings of financial control

We also compared the results between the previous and current survey and found no change in the proportion reporting change in feelings of financial control. VisionFund remains committed in providing clients with financial education for them to continue making better financial decisions and improve their financial control.

Feelings of financial control

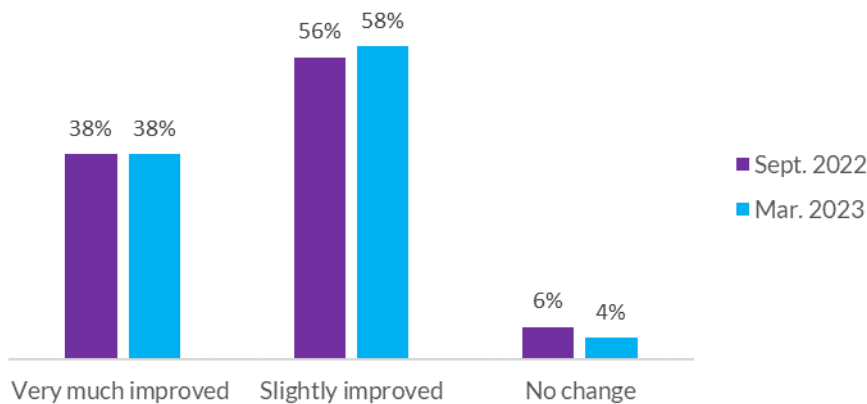


Fig 16. Clients feelings of financial control: Sept. 2022 vs. March 2023

Section IV: Empowered World View (EWV)

A: The things they needed to solve their problems are readily available to me

Clients were asked if the things they needed to solve their problems are readily available to them.

- Ninety four percent (94%) of clients agreed to the statement of whom 38% strongly agreed and 56% agreed, while only 6% of the clients disagreed.
- There were no statistically significant differences by gender, but in terms of age range, fewer clients over 60 years old (21%) strongly agreed with this statement compared to those aged 2-40 years (41%) and those aged 41-60 years (37%). This shows that clients above 60 years might be feeling less empowered to solve the problems they encounter in life and could benefit from EWV training.
- Similar to feelings of financial control, fewer clients (9%) in production or industry business strongly agreed with the statement that the things they needed to solve their problems are readily available to them. Wage earners (64%) strongly agreed to the statement compared to other sectors.

There is a statistically significant correlation between source of income, feelings of financial control and feelings of empowerment and self-efficacy. Wage earners are more likely to strongly agree that the things they need to solve their problems are readily available to them and also report very much improved financial control while those in production or industry business are more likely to agree that the things they need to solve their problems are not readily available to them and also report slight improvement in their feelings of financial control.



Fig 17. The things they needed to solve their problems are readily available to them.

Comparing the current results with our March 2023 results indicated no change in the proportion of clients agreeing that the things they needed to solve their problems are readily available to them, with both survey results showing 94% agree with the statement.

However, the proportion of clients strongly agreeing with this statement reduced from 62% in September 2022 to 38% in March 2023, indicating that clients might be feeling less empowered to solve their problems. VisionFund Uganda will continue to offer embedded education and EWW training to the clients to empower them to solve their problems and achieve fulness of life.

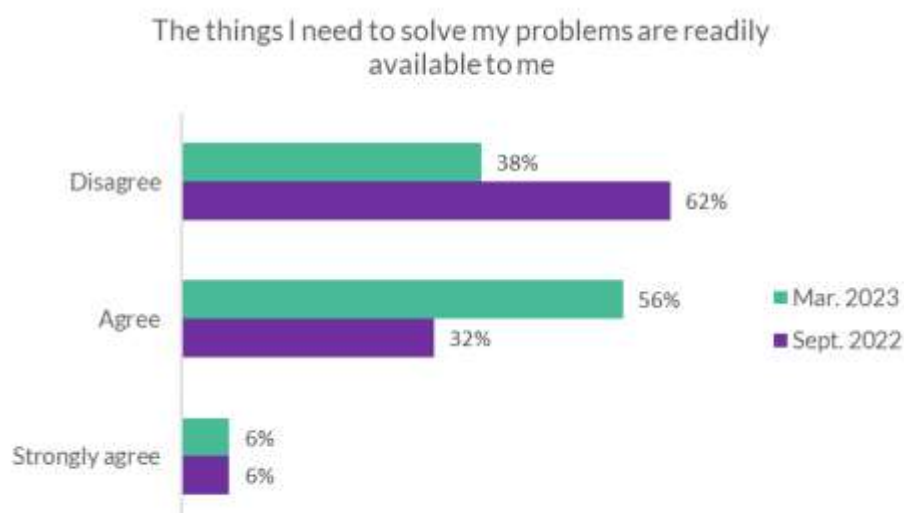


Fig 18. The things I need to solve my problems are readily available to me: Sept. 2022 vs. March 2023

B: My spiritual beliefs empower me to succeed in life

Clients were also asked if their spiritual beliefs empowered them to succeed in life. From the graphs below, our overall survey results show that all clients agreed with the statement, where 69% strongly agreed and only 31% agreed. We also noted that all our clients interviewed had a Christian identity and would relate all their achievements to God.

In terms of Gender, 81% of the female clients strongly agreed with the statement compared to only 60% of the male, which is a critical insight for VisionFund Uganda. As we focus more on women clients, there is a great chance that many children will be nurtured spiritually.

We also noticed that clients aged between 41yrs-60yrs strongly agreed with the statement compared to other age brackets. Regarding sectors or income sources, many clients (85%) involved in Agriculture or animal business strongly agreed with the statement compared to other clients in other sectors.

% Clients that strongly agree, agree, disagree, and strongly disagree with the statement "My spiritual beliefs empower me to succeed in life"



Fig 19. My spiritual beliefs empower me to succeed in life

We also compared the results with our previous ones (September 2022) and found no statistically significant difference in the proportion of clients agreeing with the statement that their spiritual beliefs empower them to succeed in life. There was a slight increase of 2% more strongly agreeing with this statement. All clients agree with this statement, which is consistent in both surveys indicating that all clients in VisionFund Uganda have spiritual beliefs that can be leveraged to enable them to succeed in life.

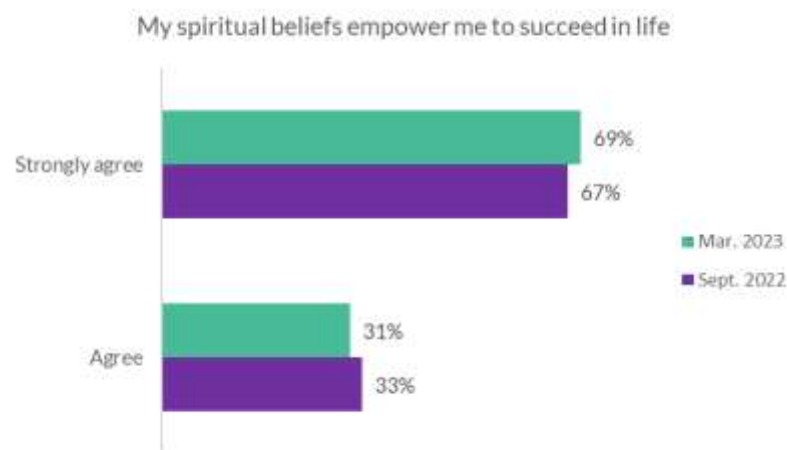


Fig 20. My spiritual beliefs empower me to succeed in life: Sept. 2022 vs. March 2023

Section V. Client Satisfaction (Net Promoter Score)

To measure clients’ loyalty and satisfaction with our products and services, we asked them how likely they are to recommend VisionFund Uganda to a friend or a family member.

The Net Promoter Score is an indicator used in client experience. It allows an understanding of loyalty, satisfaction, and enthusiasm towards the institution. We scored **51.85% as our NPS** in the current survey of March 2023, far higher than what we had in the first impact survey conducted in **September 2022 (23%)**, and this could be further enhanced month by month. From our survey results, the majority of our clients interviewed (61%) were promoters, 29% were Passives, and only 10% were Detractors. We further noted that most promoters were women at 69% compared to only 56% men.

This is critical to VisionFund Uganda in terms of targeting and a big reason to continue supporting more women with our financial services.

Results further indicated that most promoters (65%) were in the 21-40 yrs age range. Regarding economic activities, at least three sectors recorded the highest number of promoters (over 60%), including agriculture or animal businesses, commerce or trade business, and service business. This is critical for VisionFund Uganda to assess further what we are doing well with the clients in these sectors so that we can double the initiatives and find ways of building more promoters in other sectors that scored less than 60%.

Net promoter score



Fig 21. September 2022 NPS

Net Promoter Score

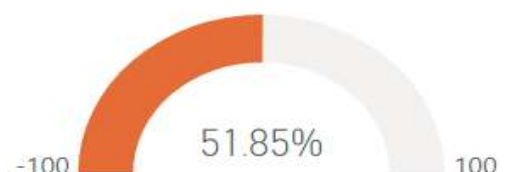


Fig 22. March 2023 NPS

We registered a great improvement in the NPS from 23% in September 2022 to 52% as at March 2023. The improvement in our NPS resulted from our initiatives put in place from October 2022 to deliberately drive customer experience including holding customer workshops, focused group discussion meetings, rewarding loyal clients with VFU Branded items, SMT field visits to loyal clients refining and developing new products with flexible/affordable terms. We have also conducted CSR activities with a focus on Women & Children and continuous use of our CRM system in place managed by Call Center.

Section VI: Poverty Probability index (PPI)

We interviewed clients who have taken repeat loans (in the 2nd, 3rd, and 4th cycles) to assess their poverty likelihood. VisionFund Uganda uses PPI to ensure proper poverty targeting. Uganda is a middle-income country, and those living below \$1.90/day are considered to be living in poverty. Our mission is to reach the most vulnerable in society and provide them with the right solutions to move out of poverty. According to World Bank, 34.75% of Ugandans are said to be living below \$1.90/day, while 65.23% live below \$3.20/day. We aim to have the proportion of our new clients living below \$1.90/day to be at par with the national average.

Based on the results, 15% of clients are living below \$1.90/day while 34% live below \$3.20/day. This is much lower compared to the national average, indicating that there is more potential for us to reach more poor people in Uganda.

Average Poverty Likelihood by Poverty Line

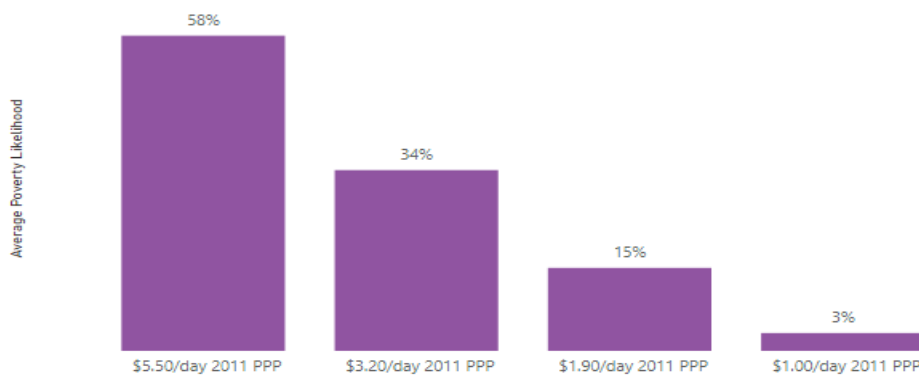


Fig 23. Clients' poverty probability

As indicated below, we also compared our poverty targeting between September 2022 and March 2023. Results show that the proportion of clients living below \$1.90/day reduced by 14% and as well those living below \$3.20/day reduced by 19%. As clients continue borrowing, their businesses and incomes have continued to grow thus reducing their poverty levels.

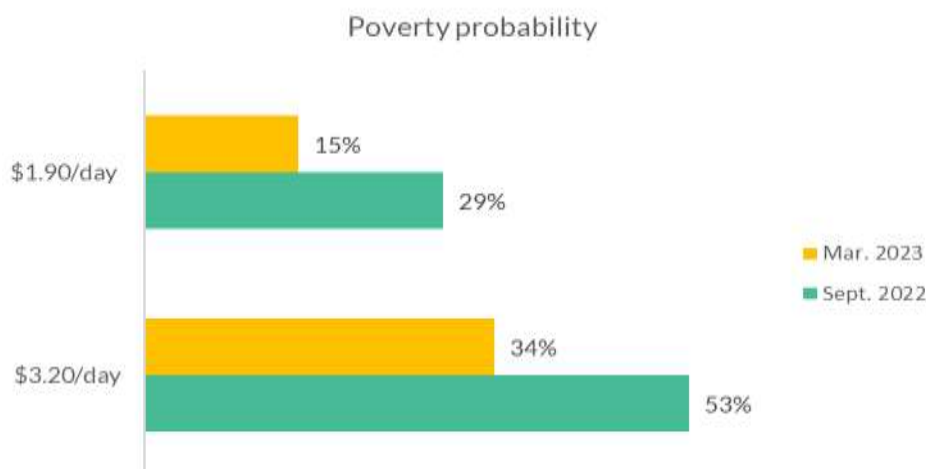


Fig 24. Comparison between PPI results for September 2022 and March 2023.

Clients Voices/feedback

Positive feedback	Key Concerns.
<ul style="list-style-type: none"> • Many clients appreciated the services VisionFund gives them. They have seen their lives changing positively because of the loans acquired from VisionFund • One female 28 years client was quoted saying women within her community have really benefited from VisionFund loans due to increased income levels at household levels. • A good number of clients liked VisionFund because of the faster turnaround time on loan processes. • A proportion of clients were excited to mention that they were able to pay school fees for their children because of the loans received from VisionFund. • A few clients were quoted appreciating their loan officers for the great service offered to them whenever they need loans from VisionFund. • One client was quoted appreciating VisionFund for the loan offered to him for he was able to construct his own house. He still promised to come back for more money after paying off the current loan. 	<ul style="list-style-type: none"> • High interest rates for VisionFund loans. • High mobile money transaction charges. • Un-favourable grace period on Agriculture loans. • Harsh treatment by staff during recovery. • Frequent staff transfers were also another issue raised by customers. • Limited education on Health Insurance. • Little money whenever they ask for new loans especially the Saving Groups. • No rewards for customers who have borrowed for long.

Recommendations

- I. VisionFund Uganda to consider earmarking an impact focused staff since the future of impact is broad and it's the way to go in all MFIs.
- II. To provide Financial Literacy and Empowered World View training to our clients with a focus on women.
- III. Management to consider re-profiling our Agriculture loan to improve on our product offering.
- IV. Management to come up with a revised customer loyalty program for increased customer value proposition.
- V. Management to communicate our key survey results to all stakeholders.