



**VIRUTCHAM
MICROFINANCE LIMITED**

Virutcham Social Impact Report

**The Wellbeing of Women
and Communities in
Southern India**

January 2021

Prepared by



In partnership with





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Improving the Wellbeing of Women and Communities in India

While the Indian economy is one of the fastest growing in the world, many Indian citizens still live in poverty and the number has only grown since the onset of COVID-19. With as many as 170,000 Indian citizens losing their jobs every hour in April 2020, there are now 103,137,054 people, or 7% of the population, living below the \$1.90 a day poverty line.¹ Of these, 54% are women,² many of who face greater hurdles in their efforts to escape poverty.

Although India has realised some gains, long standing gender inequality has left many women with lower levels of education and still carrying the burden of their household's unpaid labour. These various disadvantages contribute to a key barrier women face when trying to start a business or increase their income - an inability to access credit. With no credit history and in many cases, no bank account, traditional finance structures lockout women living in poverty, denying them a key tool of social mobility.

Not shying away from the huge need for its services, Virutcham's mission is to provide appropriate financial products and other support services to improve the social and economic status of the people in economic backwardness across India and abroad. In order to give their work focus and have the greatest impact, Virutcham has identified a core objective - to carry on the service of providing financial support to poor women, enabling them to venture into micro enterprise activities to improve their standard of living.



[1] Based on World Data Lab's 'World Poverty Clock', data on India as at 27 Jan 2021, available at: <https://worldpoverty.io/map>
[2] Ibid



Recognizing that an enterprise's ability to create long term value requires taking a broader, more holistic view of value creation (beyond financial value), Virutcham has engaged independent measurement experts Huber Social to measure the social value that Virutcham is creating and deliver data driven insights to maximise it.

Measured alongside financial value, the social value generated by Virutcham will support sustainable success through:

- Improving efficiency - being able to direct limited resources to the most effective use, thereby delivering more social value for the same cost.
- Meeting demand - demonstrate the social performance of Virutcham to clients, partners, investors and the community at large.
- Reducing risk - measuring social value helps to understand the changing needs of people and their driving factors such as societal, political, or environmental influences.

This report is the first of its kind for Virutcham. To deliver fast and robust findings in the first instance, the results are based on comparing the wellbeing of women who have received the benefit of one loan (between 0 and 18 months as a client), versus those that have received three to five loans (between 3.5 and 9.7 years as a client). Ongoing measurement will strengthen the rigour of these findings through measuring women's wellbeing longitudinally and aiming to capture a baseline for women, that have not yet been approved or do not have access to the loans at all.

Committed to delivering findings with integrity, the social value of Virutcham has been measured and reported on in accordance with relevant global standards and authorities, including:

-  The UN SDG Impact Standards for Enterprises •  SDG Impact
-  The Impact Management Project 
-  The Global Impact Investment Network IRIS+ system  

Social Value is the material impact on the wellbeing of people.



VIRUTCHAM'S VISION

**To act as a catalyst
to provide the best
financial services to
improve the social
and economic
status of the people.**



About the Virutcham Microfinance Program

Virutcham Microfinance Limited was founded in 2008 with the express purpose of offering a new path to women living in poverty. Their vision is to act as a catalyst to provide the best financial services to improve the social and economic status of the people. They aim to achieve this vision through the provision of appropriate financial products and other support services to improve the social and economic status of people in economic backwardness across India and abroad.

In order to give its work focus and have the greatest impact, Virutcham has identified a core objective – to carry on the service of providing small loans to poor women, enabling them to venture into micro enterprise activities to improve their standard of living.

To support the successful use of a loan, Virutcham requires women to undergo financial literacy training before receiving the loan. This training focuses on strategies to save, the importance of profit and information on insurance products. Once they have received the loan, women are also provided the opportunity to build their skills in certain areas of trade, for example, seaweed cultivation and hand embroidery.

Virutcham currently provides loans to women living in poverty across the two Indian states, Tamil Nadu and Kerala, and the Union Territory of Puducherry.

Due to the vulnerable nature of their clients, Virutcham takes great care when choosing clients, to both ensure that the loan will not place financial stress on the borrower, and that they are truly in need of support. If this screening is not completed correctly, the subsequent activities and efforts may result in a negligible or even negative impact.

Loan Products and Cycles

Virutcham has loan products with amounts ranging from Rs. 20,000 to 60,000 per client, repayable in 12 to 24-month instalments.

Loan Cycle	1 st Cycle		2 nd Cycle	3 rd Cycle	4 th Cycle	5 th Cycle
Loan Amount	Rs. 20,000	Rs. 30,000	Rs. 40,000	Rs. 50,000	Rs. 60,000	Rs. 60,000
Tenure (monthly)	12 months	18 months	18 to 24 months	24 months	24 months	24 months
Maximum time as a Virutcham Client	18 months		42 months	66 months	90 months	114 months



Key Findings: The Impact of Virutcham

Long-term Virutcham clients experience significantly higher levels of Wellbeing in Tamil Nadu

Clients with three or more loans across Tamil Nadu have an 8% higher level of Wellbeing than women who have only received one loan.

Long-term support has significant results for women in more independent or vulnerable situations

While the number of loans and time in program does not create a significant shift in Wellbeing across the entire dataset, results show that for widowed, divorced or single women; women who run their own enterprise; and women with no literacy, a long-term relationship with Virutcham does result in a significant shift in their Wellbeing.

Virutcham's target outcomes align to the factors that matter most for the Wellbeing of their clients

The factors that matter most for Wellbeing include income and finance, health, a safe and peaceful home, education for children, nutrition, religious freedom, self-respect and acceptance, community connection, relationship status and the support of male family members.

Factors within these areas have a statistically significant relationship with overall Wellbeing and provide Virutcham with areas they can focus on in order to further maximise the Wellbeing of their clients.

Long-term Clients in Tamil Nadu are more financially secure, proud and safe than short term clients. In Kerala, they are more resilient, healthy and financially secure.

Factors within these areas have the highest shift between women who have one loan and have been with Virutcham for up to 18 months and women who have received three or more loans, meaning, they have been Virutcham's client for at least 3.5 years.

Virutcham clients are confident, motivated and business savvy women

This highest scoring factors across all Virutcham clients demonstrate that these women have high levels of hope, self-respect and self-acceptance, political and religious freedom, finance and business skills and determination.

Virutcham contributes to nine of the United Nations Sustainable Development Goals (SDGs)

By focusing on the Wellbeing of the women receiving loans and providing access to financial support and literacy, Virutcham contributes to nine of the SDGs.

There is an opportunity to strengthen the rigour of findings by investigating the impact of the first loan

Notwithstanding the significant shift found in Tamil Nadu, the number of loans and length of time as a client have only revealed a small or negligible impact on overall Wellbeing of all women surveyed. To address this, further measurement should include a baseline of women who have not yet applied for a loan, or do not have access to loans at all.



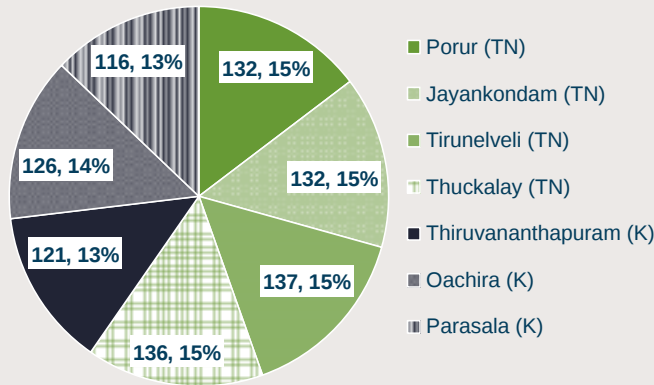
The Survey

Participants

Virutcham works with underprivileged and economically deprived women in Southern India. The data used throughout this report includes survey responses from 1,027 individuals collected in January 2021 (including 12% of women who have been pre-approved for a loan but had not yet received their loan). The following demographics represent the 88% of the sample who are current recipients of a Virutcham loan.

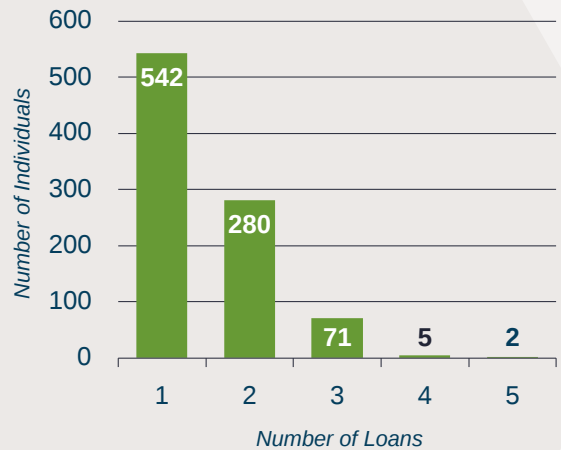
Location

The overall sample has an even representation from all seven districts covering the states of Tamil Nadu (TN) and Kerala (K).



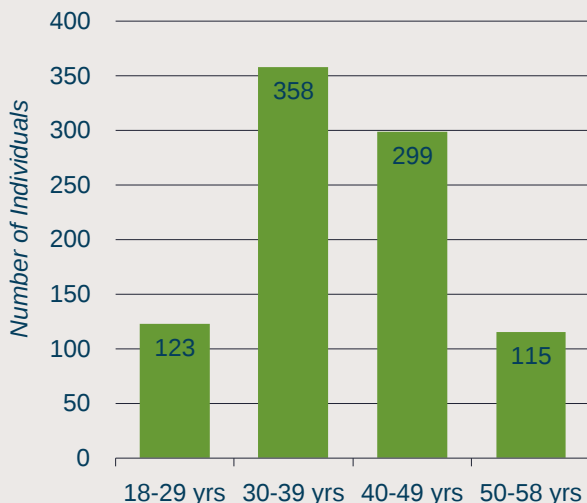
Number of Loans

The majority of people surveyed were still on their first loan, within 12-18 months of starting the program.



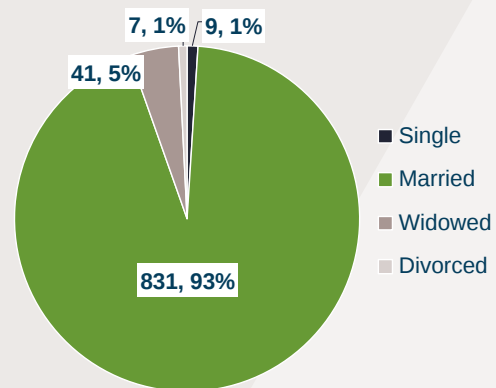
Age

The borrower of a loan must be between 21 and 58 years old. The most frequent age group were those between 30 and 49 years of age.



Relationship Status

The overwhelming majority of Virutcham clients are married.





Ms. Rajjamal from Anagudi village in Kanyakumari district lived below the poverty line. She was a daily labourer and did manual work.

After obtaining a loan from Virutcham, she purchased a milch cow and is **now earning a regular additional income by selling milk to her neighbours and government milk producers.**



The Impact of a Virutcham Microfinance Loan

A significant shift in Wellbeing

To measure the shift in overall Wellbeing for women receiving loans from Virutcham, results in this first instance are based on comparing the Wellbeing of women by 'time as a Virutcham client and number of loans'. Practical and timing limitations prevented the project from being able to measure the Wellbeing of women completely removed from the impact of a Virutcham loan to provide a solid baseline (comparison group).

Therefore, to measure impact, the shift comparison is based on women who have received the benefit of one loan (between 0 and 18 months as a client), versus those that have received three to five loans (between 3.5 and 9.7 years as a client).

To measure overall Wellbeing, women were asked about their own satisfaction with life* providing a score (out of five) for each participant.

Looking at results by time and number of loans in this manner has identified a significant shift in the Wellbeing of clients in Tamil Nadu, however results in Kerala, in this first instance, have not been found to be statistically conclusive.

+8%

Long-term clients in Tamil Nadu have an 8% higher level of Wellbeing than short-term clients. This result is statistically significant (p-value < 0.01), meaning we can be 99% confident that it is a real and consistent difference, and not due to chance or coincidence.

In Kerala, no statistically significant shift was found. The same is found when combining data from both states. In this instance we conclude that length of time as a client or number of loans, does not effect overall Wellbeing, but rather works to maintain a level of wellbeing. The hypothesis still to be explored therefore, is that a significant shift is achieved by the first loan.

**Satisfaction With Life Scale (SWLS), Ed Diener, Robert A. Emmons, Randy J. Larsen and Sharon Griffin, 1985 article in the Journal of Personality assessment.*

Opportunity to strengthen findings

While the number of loans and time in program has served as the baseline and shift for this measurement, there is a clear opportunity to strengthen the rigour of findings by investigating the impact of the first loan.

Notwithstanding the significant shift found in Tamil Nadu, the number of loans and length of time as a client have only revealed a small or negligible impact on overall Wellbeing across all women surveyed. To address this, any further measurement should include a baseline of women that have not yet been approved for a loan, or do not have access to loans at all.

An ideal comparison group would include a representative sample of individuals from the districts surveyed, who share the demographics of a Virutcham client in areas that are relevant, but have not applied for a Virutcham loan.



Long-term support has significant results for **women in more independent or vulnerable situations**

While the number of loans and time in program does not create a significant shift in Wellbeing across all clients, results show that, for specific groups of clients, a long-term relationship with Virutcham has significant results.

A statistically significant shift in Wellbeing, when comparing women who have received the benefit of one loan to those that have received three to five loans was found for the following subgroups.

Results comparing short and long-term Virutcham clients:



Widowed, divorced or single women saw a 25% significant shift in Wellbeing.



Women who ran their own enterprise and made the majority of decisions in the business saw a 15% significant shift in Wellbeing.



Women with low literacy levels, who cannot read or write, saw a 34% significant shift in Wellbeing.

Note: this analysis contained a small sample size of long-term clients so further data and analysis would be required to confirm the result.



Outcomes: Long-term Clients in Tamil Nadu are more Financially Secure, Proud and Safe

To understand the program outcomes of Virutcham's microfinance activities, women's capability and access to opportunity are assessed and scores compared between those who have had the benefit of one loan and those who have received between three and five loans. This also equates to a comparison of time in program - a woman with one loan has spent up to 18 months as a Virutcham client, whereas a woman who has three to five loans has spent between 3.5 and 9.7 years as a Virutcham client.

The factors that have the highest shift between one loan and three to five loans are in the areas of financial security, access to income, access to nutrition, pride and access to a safe and peaceful home. The outcomes below represent the largest positive shifts for long-term Virutcham clients, when compared to reasonably new clients.



Financial Security

+8%

The ability to save for the future



Financial Security

+8%

Having enough income to cover unforeseen expenses or emergencies



Access to Nutrition

+7%

Having enough income to adequately feed their families



Financial Security

+6%

The family has enough money to live a comfortable life



Pride

+6%

Being proud of one's life



Access to a Safe Home

+5%

Having a peaceful home environment

Data includes surveys collected from Porur, Jayankondam, Tirunelveli and Thuckalay Districts.

One loan: 266 responses

Three or more loans: 66 responses



Outcomes: Long-term Clients in Kerala are More Resilient, Healthy and Financially Secure

To understand the program outcomes of Virutcham's microfinance activities, women's capability and access to opportunity are assessed and scores compared between those who have had the benefit of one loan and those who have received between three and five loans. This also equates to a comparison of time in program - a woman with one loan has spent up to 18 months as a Virutcham client, whereas a woman who has three to five loans has spent between 3.5 and 9.7 years as a Virutcham client.

The factors that have the highest shift between one loan and three to five loans are across resilience, health, financial security and goal setting. The outcomes below represent the largest positive shifts for long-term Virutcham clients, when compared to reasonably new clients.



Self-belief

+17%

Self-belief helps women to persevere through challenging times in life



Physical Health

+15%

Physical health of women, not preventing them from being able to work



Financial Security

+12%

The family has enough money to live a comfortable life



Goal Setting

+8%

Women are determined to achieve their goals



Adaptability

+8%

Women are able to adapt when unexpected events occur



Preventative Health Measures

+7%

Women seek out regular medical care in order to maintain good health

Data includes surveys collected from Thiruvananthapuram, Oachira and Parasala Districts.

One loan: 276 responses

Three or more loans: 12 responses



Priority Needs For Higher Wellbeing

Tamil Nadu

In order to identify how to best support the women and their communities, analysis was performed to understand the factors that have a significant relationship with overall Wellbeing. The factors, identified on the following page, were all found to have a significant relationship with Wellbeing for Virutcham Clients in Tamil Nadu. These findings provide Virutcham with areas of focus in order to maximise their impact on overall Wellbeing.

Predictors of high Wellbeing:

- Financially, women who reported that their income is steady, can help provide for the family financially, save for important things and whose family have enough money to live comfortably were associated with higher levels of Wellbeing
- Emotionally, women who felt proud of their life, who laugh and feel happy and who were hopeful about the future by believing that good things will happen were associated with higher levels of Wellbeing
- In terms of home, women who lived in a structurally safe and complete building, and who felt that there was peace at home were associated with higher levels of Wellbeing

Predictors of low Wellbeing:

- Widowed and married women were associated with less Wellbeing than single women
- Women whose husbands or male family members did not support the loan and source of income were associated with lower Wellbeing than those who had support from men
- Women whose children do not attend primary school were associated with lower Wellbeing
- Women who visit a medical professional only when they are very sick, as opposed to regular checkups to maintain good health were associated with lower Wellbeing





Further analysis was then conducted to understand priorities within these needs. This is achieved by overlapping correlates with Wellbeing and the lowest eight scoring eight factors for the women (all scoring under 4 out of 5), thereby identifying what is important to the women, but also what is not being sufficiently addressed. These priority needs are identified in green below.



Predictors of Wellbeing: Factors found to have a significant relationship with overall Wellbeing. A coefficient refers to Change in Wellbeing for unit change in the ratings of a factor. So the greater the value of the coefficient the greater the affect that factor has on Wellbeing.

Factor	Co-efficient	Factor	Co-efficient
A steady and consistent source of income	0.066	Family has enough money to live a comfortable life	0.105
A peaceful, non-violent home environment	0.131	Being widowed or married as opposed to single	-0.538
A home that is structurally safe and complete	0.112	Being proud of one's life	0.119
Happiness and laughter	0.214	Not having children in Primary School	-0.353
Ability to provide for the family financially	0.100	Being free to have one's own religious beliefs	0.104
The ability to save for the future	0.100	Only visiting a medical professional when very sick, compared to regular check-ups	-0.197
Believing good things will happen in the future	0.141	Male family members not supporting the loan	-0.379
Having the skills to manage one's business's finances	0.121	Having a voice in important community issues	0.107



Kerala

The factors below were all found to have a significant relationship with Wellbeing for Virutcham Client's in Kerala.

Predictors of High Wellbeing:

- Financially, women who have enough income to feed their family, can help provide for the family financially, save for important things and whose family have enough money to live comfortably
- Emotionally, women who like themselves more and feel part of a community
- In terms of home, women who lived in a structurally safe and complete building were more likely to have higher levels of wellbeing

Predictors of Low Wellbeing:

- Women whose husbands or male family members did not support the loan and source of income were associated with lower wellbeing than those who had support from men

The factors identified in green represent an overlap with the lowest scoring factors across the women surveyed.



Predictors of Wellbeing: Factors found to have a significant relationship with overall Wellbeing. A coefficient refers to Change in Wellbeing for unit change in the ratings of a factor. So the greater the value of the coefficient the greater the affect that factor has on Wellbeing.

Factor	Co-efficient
Family has enough money to live a comfortable life	0.156
Sufficient income to adequately feed the family	0.102
A home that is structurally safe and complete	0.076
Liking oneself	0.212
Ability to provide for the family financially	0.135
The ability to save for the future	0.151
Feeling part of the community	0.233
Male family members not supporting the loan	-0.509

This statistical analysis was conducted using all responses from current Virutcham clients in Kerala.

Please see the Transparency Page for more information on the treatment of data throughout the data lifecycle.

Wellbeing by District

State	Wellbeing Score for One Loan (out of 5)	Wellbeing Score for Three to Five Loans (out of 5)	Shift in Wellbeing Score	P-value
Porur	3.77	4.07	8%	0.09
Jayankondam	3.16	4.33	37%	<0.01
Tirunelveli	3.76	3.84	2%	>0.10
Thuckalay	3.89	No sample over 3 loans	-	-
Thiruvananthapuram	3.60	3.77	5%	>0.10
Oachira	4.53	No sample over 3 loans	-	-
Parasala	4.15	4.40	6%	>0.10

As demonstrated by the above data, all Districts for which analysis could be conducted saw a positive increase in Wellbeing over time.

Where a Wellbeing shift has a p-value less than 0.1 (<0.10) the shift is statistically significant. This means we can be at least 90% confident that the shift we see is a real and consistent difference, and not due to chance or coincidence. Where a shift is not statistically significant we say that the overall level of Wellbeing has, at the very least, been maintained for Virutcham clients at these locations.



Understanding the Lives of Women in Porur District

Impact

Average Wellbeing score across all Virutcham Clients: 4.05 out of 5

+8%

Virutcham clients saw an 8% increase in average Wellbeing when comparing women who have had the benefit of three to five loans to women currently using their first loan.

District Outcomes

Outcomes with the highest 'shifts' between a woman with one loan and three to five loans:

Financial Security

+27%

The ability to save for the future

Financial Security

+21%

Having enough income to cover unforeseen expenses or emergencies

Financial Security

+14%

The family has enough money to live a comfortable life

Physical Health

+14%

Physical health does not impact or prevent women from being able to work

Access to a Safe Home

+9%

Having a peaceful home environment

Family time

+9%

Having the opportunity to spend quality time with children

Priority Needs

The priority needs are determined by factors that have a significant relationship with Wellbeing for Tamil Nadu and overlap with the lowest scoring factors for this District, thereby identifying what is important to the women, but also what is not being sufficiently addressed.



Health

Regular check-ups to maintain good health



Financial Security

The ability to save for the future



Respect

Having a voice in important community issues

The Data

This analysis included the following data: 31 women with the benefit of one loan, 54 with two loans, 42 with three loans, 3 with four loans and 2 with five loans.



Understanding the Lives of Women in Jayankondam District

Impact

Average Wellbeing score across all Virutcham Clients: 3.34 out of 5

+37%

Virutcham clients saw a 37% significant increase in average Wellbeing when comparing women who have had the benefit of three to five loans to women currently using their first loan.

Note: Only 3 individuals in this District had the benefit of 3 or more loans.

District Outcomes

Outcomes with the highest 'shifts' between a woman with one loan and three to five loans:

Financial Security

+71%

Having enough income to cover unforeseen expenses or emergencies

Access to Income

+69%

Having a steady and consistent source of income

Financial Security

+38%

The ability to provide for their family financially

Financial Security

+36%

The family has enough money to live a comfortable life

Respect

+35%

Having a voice in important community issues

Family Control

+34%

Having a say in how the family finances are spent

Priority Needs

The priority needs are determined by factors that have a significant relationship with Wellbeing for Tamil Nadu and overlap with the lowest scoring factors for this District, thereby identifying what is important to the women, but also what is not being sufficiently addressed.

Financial Security

The ability to save for the future

Respect

Having a voice in important community issues

Access to Income

A steady and consistent source of income

The Data

This analysis included the following data: 51 women with the benefit of one loan, 78 with two loans, 2 with three loans, and 1 woman with four loans. Further data is required from women with three or more loans to confirm the findings for this District.



Understanding the Lives of Women in Tirunelveli District

Impact

Average Wellbeing score across all Virutcham Clients: 3.82 out of 5

+2%

Virutcham clients saw a 2% increase in average Wellbeing when comparing women who have had the benefit of three to five loans to women currently using their first loan.

District Outcomes

Outcomes with the highest 'shifts' between a woman with one loan and three to five loans:

Child Wellbeing

+18%

Ability to provide their children with a good life

Financial Security

+15%

The ability to save for the future

Financial Literacy

+13%

The ability to manage finances and loan repayments

Physical Health

+13%

Looking after one's physical health and wellness

Pride

+12%

Being proud of one's life

Self-acceptance

+12%

Liking oneself

Priority Needs

The priority needs are determined by factors that have a significant relationship with Wellbeing for Tamil Nadu and overlap with the lowest scoring factors for this District, thereby identifying what is important to the women, but also what is not being sufficiently addressed.

Health

Regular check-ups to maintain good health

Access to Income

A steady and consistent source of income

Financial Security

The ability to save for the future

The Data

This analysis included the following data: 73 women with the benefit of one loan, 49 with two loans and 15 with three loans.



Understanding the Lives of Women in Thuckalay District

Impact

Average Wellbeing score across all Virutcham Clients: 3.93 out of 5

+4%

Virutcham clients saw a 4% increase in average Wellbeing when comparing women who have had the benefit of two loans to women currently using their first loan.

Note: As Virutcham has only been working with clients based in Thuckalay District since 2019 the sample only includes women with up to two loans.

District Outcomes

Outcomes with the highest 'shifts' between a woman with one loan and two loans:

Access to Income

+11%

Having a steady and consistent source of income

Financial Security

+11%

Having enough income to cover unforeseen expenses or emergencies

Community Participation

+10%

Participation in social and cultural events in the community

Access to Nutrition

+9%

Having enough income to adequately feed one's family

Access to a Safe Home

+9%

A home that is structurally safe and complete

Physical Health

+8%

Physical health does not impact or prevent a woman from being able to work

Priority Needs

The priority needs are determined by factors that have a significant relationship with Wellbeing for Tamil Nadu and overlap with the lowest scoring factors for this District, thereby identifying what is important to the women, but also what is not being sufficiently addressed.



The ability to save for the future



A steady and consistent source of income



Regular check-ups to maintain good health

The Data

This analysis included the following data: 111 women with the benefit of one loan, 24 with two loans and 1 with three loans.



Mrs Bindhu did not have an adequate source of income to meet her family's daily needs and expenses.

With Virutcham's Income Generation Program she had access to a loan of (INR) Rs. 30,000, which she used to purchase an auto rickshaw. **Mrs Bindhu is now earning sufficient income to provide for her family.**



Understanding the Lives of Women in Thiruvananthapuram District

Impact

Average Wellbeing score across all Virutcham Clients: 3.62 out of 5

+5%

Virutcham clients saw a 37% significant increase in average Wellbeing when comparing women who have had the benefit of three to five loans to women currently using their first loan.

Note: Only 6 individuals in this District had the benefit of 3 or more loans.

District Outcomes

Outcomes with the highest 'shifts' between a woman with one loan and three to five loans:

Preventative Health Measures

+23%

Women seek out regular medical care in order to maintain good health

Community Participation

+21%

Participation in social and cultural events in the community

Goal Setting

+19%

Women are determined to achieve their goals

Physical Health

+19%

Physical health does not impact or prevent a women from being able to work

Financial Security

+18%

Having enough income to cover unforeseen expenses or emergencies

Self-acceptance

+18%

Liking oneself

Priority Needs

The priority needs are determined by factors that have a significant relationship with Wellbeing for Kerala and overlap with the lowest scoring factors for this District, thereby identifying what is important to the women, but also what is not being sufficiently addressed.



The family has enough money to live a comfortable life



Feeling part of the community



Only 69% of women have the support of male family members vs Kerala State having an average of 82%

The Data

This analysis included the following data: 92 women with the benefit of one loan, 23 with two loans, 6 with three loans. Further data is required from women with three or more loans to confirm the findings for this District.



Understanding the Lives of Women in **Oachira** District

Impact

Average Wellbeing score across all Virutcham Clients: 4.53 out of 5

As Virutcham only started working with clients based in Oachira District in 2019 the sample only includes women with one loan. Therefore a shift analysis could not be conducted for this district.

Priority Needs

The priority needs are determined by factors that have a significant relationship with Wellbeing for Kerala and overlap with the lowest scoring factors for this District, thereby identifying what is important to the women, but also what is not being sufficiently addressed.



The family has enough money to live a comfortable life



The Data

This analysis included the following data: 126 women with the benefit of one loan.



Understanding the Lives of Women in Parasala District

Impact

Average Wellbeing score across all Virutcham Clients: 4.13 out of 5

+6%

Virutcham clients saw a 6% significant increase in average Wellbeing when comparing women who have had the benefit of three to five loans to women currently using their first loan.

Note: Only 6 individuals in this District had the benefit of 3 or more loans.

District Outcomes

Outcomes with the highest 'shifts' between a woman with one loan and three to five loans:

Physical Health

+42%

Physical health does not impact or prevent a woman from being able to work

Financial Security

+30%

The family has enough money to live a comfortable life

Self-belief

+17%

Belief in self helps women to persevere through challenging times in life

Respect

+14%

Having a voice in important community issues

Mental Health

+13%

A reduction in worry and stress about their lives

Access to a Safe Home

+9%

A home that is structurally safe and complete

Priority Needs

The priority needs are determined by factors that have a significant relationship with Wellbeing for Kerala and overlap with the lowest scoring factors for this District, thereby identifying what is important to the women, but also what is not being sufficiently addressed.



Family has enough money to live a comfortable life

The Data

This analysis included the following data: 58 women with the benefit of one loan, 52 with two loans, 5 with three loans and 1 with four loans. Further data is required from women with three or more loans to confirm the findings for this District.



Virutcham Clients are Confident, Motivated and Business Savvy Women

Unlike other forms of financial support or loans, Virutcham clients are supported from day one by ethical and experienced staff. They receive training in terms of business administration, financial literacy and capability building right from the beginning.

The following factors are the highest scoring factors across all Virutcham clients and are definitely worth celebrating.



The Strengths of Virutcham Clients



Hope

Having hope for the future



Self-respect

Knowing the importance of one's life



Political Freedom

Feeling free to vote based on own decisions



Religious Freedom

Feeling free to practice religious beliefs



Self-acceptance

Liking oneself



Managing Finances

Managing finances to pay back debt on time



Business Skills

Having the skills to run their business



Determination

Being determined to achieve their goals



Measured, Mapped and Monitored to **Nine UN Sustainable Development Goals**

Through focusing on the Wellbeing of the women receiving loans and providing access to financial support and literacy, Virutcham is contributing to 9 out of the 17 SDGs.

SUSTAINABLE DEVELOPMENT GOALS







Measured Contribution to the SDGs

For each of the goals, Virutcham’s contribution has been measured using the appropriate target indicators, as included in the tables below.





Virutcham’s Measured Contribution to the SDGs

	Goal 1: No Poverty – End poverty in all its forms everywhere	
	<i>Target Indicators</i>	<i>Virutcham’s Contribution</i>
C010101	1.1.1 Proportion of the population living below the international poverty line by sex, age, employment status and geographic location (urban/rural)	2020 International Poverty Line US\$1.90. 100% of Virutcham clients live above the poverty line . <ul style="list-style-type: none"> • Daily income of rural clients ranges from Rs. 150 to Rs. 200 • Daily income of urban clients ranges from Rs. 250 to Rs. 400 60% of Virutcham clients are rural and 40% are urban .
C010201	1.2.1 Proportion of population living below the national poverty line, by sex and age	Note - India rejected a national poverty line and is currently developing a new multidimensional test that will feed the HDI Multidimensional test
C010202	1.2.2 Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	

	Goal 2: Zero Hunger – End hunger, achieve food security and improved nutrition and promote sustainable agriculture	
	<i>Target Indicators</i>	<i>Virutcham’s Contribution</i>
C020101	2.1.1 Prevalence of undernourishment	85% of women that have received a loan from Virutcham reported that their food is healthy and nutritious (85% of women scored their food 4 or 5 out of 5 for health and nutrition) .
C020102	2.1.2 Prevalence of moderate or severe food insecurity in the population, based on the Food Insecurity Experience Scale (FIES)	77% of women that have received a loan from VML reported they have enough money to feed their family (scored 4 or 5 out of 5, with over 50% scoring themselves 5 out of 5)
C020302	2.3.2 Average income of small-scale food producers, by sex and indigenous status	Approximately 25% of Virutcham clients are small-scale food producers (fish sellers, tiffin service, snacks sellers, fruit sellers, vegetable sellers etc.) Their daily income ranges from Rs.300 to Rs.500.



 Goal 3: Good Health and Wellbeing – Ensure healthy lives and promote wellbeing for all at all ages		
	<i>Target Indicators</i>	<i>Virutcham's Contribution</i>
C030801	3.8.1 Coverage of essential health services	<p>Over 90% of women that have received a VML loan reported they can afford medical services when their family needs them</p> <p>The following % of VML loan recipients reported seeing a medical professional :</p> <ul style="list-style-type: none"> • Regularly to maintain good health (12%) • When they are a bit unwell (42.5%) • If they are very sick (43.5%) • Only in life-or-death emergency (0.8%) • Never (1.2%)

 Goal 4: Quality Education – Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all		
	<i>Target Indicators</i>	<i>Virutcham's Contribution</i>
C040102	4.1.2 Completion rate (primary education, lower secondary education, upper secondary education)	<p>The following % of VML loan recipient's children attend :</p> <ul style="list-style-type: none"> • Primary school (over 90%) • Secondary school (80%) • University (62%) <p>76% of VML loan recipients' children attend government schools and 24% are in private education .</p> <p>The following % of VML loan recipient's children miss school to help at home or on the business:</p> <ul style="list-style-type: none"> • A lot (9.5%) • Sometimes (27.3%) • Never (63.2%)

 Goal 5: Gender Equality – Achieve gender equality and empower all women and girls		
	<i>Target Indicators</i>	<i>Virutcham's Contribution</i>
C050502	5.5.2 Proportion of women in managerial positions	<p>11% of VML's loan recipients run their own enterprise and make the majority of business decisions .</p> <p>A further 75% share the responsibilities of managing the business with a male family member.</p>
C050a01	5.a.1 (a) Proportion of total agricultural population with ownership or secure rights over agricultural land, by sex; and (b) share of women among owners or rights-bearers of agricultural land, by type of tenure	<p>40% of Virutcham clients are involved in agriculture and agri-allied activities. Around 80% of clients involved in agriculture either own a small piece of land (land title in the names of parents/spouse/in laws etc.) or a lease for land for agricultural purposes.</p>
C050b01	5.b.1 Proportion of individuals who own a mobile telephone, by sex	<p>92% of VML loan recipients have their own phone, 5% have access to one in their family and 3% have no access at all.</p>



Goal 6: Clean Water and Sanitation – Ensure availability and sustainable management of water and sanitation for all

Target Indicators

Virutcham's Contribution

C060201	6.2.1 Proportion of population using (a) safely managed sanitation services and (b) a handwashing facility with soap and water	<p>The following % of VML loan recipients have access to toilets :</p> <ul style="list-style-type: none"> • In their own home (94%) • In the community close by (1%) • Not at all (5%)
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Goal 8: Decent Work and Economic Growth – Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Target Indicators

Virutcham's Contribution

C080501	8.5.1 Average hourly earnings of employees, by sex, age, occupation and persons with disabilities	<ul style="list-style-type: none"> • Employees work 6 to 8 hours a day • Hourly wages for women range from Rs.30 to Rs.50 • Hourly wages for men range from Rs.50 to Rs.80
C080502	8.5.2 Unemployment rate, by sex, age and persons with disabilities	<p>On average, 3000 women receive a loan from Virutcham every month</p> <p>Approximately 20% of the clients who receive a loan employ other people in their business or agricultural activities</p> <ul style="list-style-type: none"> • For agricultural activities, two to five people are employed in rainy season • Others employ one or two people in their business
C081002	8.10.2 Proportion of adults (15 years and older) with an account at a bank or other financial institution or with a mobile -money -service provider	95% of Virutcham clients have access to their own bank account with a further 2% having access to a joint account



Goal 10: Reduced Inequalities – Reduce inequality within and among countries

Target Indicators

Virutcham's Contribution

C100101	10.1.1 Growth rates of household expenditure or income per capita among the bottom 40% of the population and the total population	<ul style="list-style-type: none"> • Per capita income of Tamil Nadu State is Rs.1,93,750 and Kerala state is Rs.2,04,000. It grows by 4% to 8% per year. • Per capita income of the bottom 40% population is estimated between Rs.86,000 to Rs.1,44,000 in both the states . It grows by 4% to 8% per year.
C100201	10.2.1 Proportion of people living below 50% of median income, by sex, age and persons with disabilities	<ul style="list-style-type: none"> • The median income is taken as Rs.30,000 and 50% Median income is Rs.15,000 • We estimate at 80% of the men, 95% of women and almost 98 % of differently -abled people are below 50% of the median income .



Goal 11: Sustainable Cities and Communities – Make cities and human settlements inclusive, safe, resilient and sustainable

Target Indicators

Virutcham's Contribution

C110101	11.1.1 Proportion of urban population living in slums, informal settlements or inadequate housing	<ul style="list-style-type: none"> • 57% of VML loan recipients scored 5 out of 5 for their home being safe and complete with doors, windows, roof and floors • 24% scored their homes 4 out of 5 and the remaining 19% scoring their homes less than 3 out of 5
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How Impact Was Measured for Virutcham

Huber Social Impact Measurement

Huber Social recognises the overall goal of all social impact is to put people in the best position to fulfil their potential and achieve Wellbeing. To measure the effectiveness of initiatives, the Huber Social Wellbeing Measurement Framework™ measures shifts in Wellbeing (Impact), as well as shifts in the capability and opportunity needs of people (Outcomes).

Using a standardised process, Huber Social establishes a measurement system, collects data from the people directly impacted and employs statistical analysis to identify a shift in Wellbeing and the relative weighted needs of people to maximise this. The process involves a co-design approach to determine the social impact model of an organisation and the scope of the measurement. To collect data, Huber Social focuses on the use of surveys as well as a mix of secondary data sets, focus groups and direct observation as required.

Building Local Measurement Capability with Integrity Assured

To achieve measurement in the most cost effective and robust way, Huber Social trains local people to apply the Huber Social Measurement System. Not only does this create local jobs, but with the benefit of local knowledge and the right checks in place, the process is so much stronger for it. The detailed application of this process for Virutcham is included in the *Virutcham Microfinance Limited Social Impact Measurement Plan* and key elements highlighted below.



A Huber Social Trained Virutcham Team Leader conducting his first measurement in Tamil Nadu, India, January 2021



Data Collection and Project Management

In a series of virtual workshops, Huber Social conducted training for teams across the seven districts to manage the process and collect the data. Teams were trained to identify appropriate locations (for survey participants to feel safe to answer honestly and independently), organise all logistics (invitations, refreshments, printing, pencils) and facilitate the accurate and ethical completion of surveys (including gaining voluntary and informed consent).

Surveys were completed in written hard copy with data entry then performed by the local teams on the ground back into the Huber Social database for analysis.

Translation

In addition, to ensure questions were culturally and linguistically accurate, Huber Social ran workshops to explain the outcome of the measurement, and the meaning of each question to ensure it was translated to hold the same meaning in both languages of Tamil and Malayalam.

Assurance

Unable to travel to India due to travel restrictions, all assurance activities were completed virtually. These included Huber Social being provided photos from each location documenting participants and numbers, as well as scanned copies of the original hard copy surveys to cross check with the responses entered into the system.

Contribution

To determine the 'shift' in Wellbeing created, Huber Social used a hypothetical counterfactual comparison group, based on results of women who have received the benefit of one loan (between 0 and 18 months as a client), versus those that have received three to five loans (between 3.5 and 9.7 years as a client). In addition, statistical tests were applied to all results to determine (1) the statistical significance of any shifts in Wellbeing or outcomes, and (2) the factors that had a strong correlation with overall Wellbeing.

Ongoing measurement will strengthen the rigour of these findings through measuring women's wellbeing longitudinally and aiming to capture a baseline for women who have not received or have the hope of receiving a microfinance loan.





Get in Touch



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Huber Social

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Global Impact Initiative

Global Impact Initiative (GII) creates Impact Investments; seeking both a positive financial return and a positive social impact for its clients and stakeholders.



GII is a Global Compact LEAD participant for its ongoing commitment to the United Nations Global Compact and its Ten Principles for responsible business. GII was identified as being among the most highly-engaged participants of the world's largest corporate sustainability initiative.

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Data Transparency Page

To ensure the integrity of findings always, Huber Social includes a Transparency Page for every project. This ensures that both the rigour of evidence and rigour of analysis is clear for each project, across every stage of the data lifecycle.



Phase	Questions on the Treatment of the Data	Points allocated	Yes or No
Design	Everyone in the program included in the measurement	2	-
	OR Survey sample population designed to be representative of group	1	1
	SAMPLE Confidence in the sample: <i>The sample size has a 95% confidence level and 5% margin of error when conducting analysis at the overall or state level. A larger sample is required when the data is compared by number of loans, especially for women with three or more loans. The sample size of analysis conducted is noted throughout the document.</i>	N/A	N/A
	BASELINE Control group (independent of the intervention)	3	-
	Group baseline measured (pre -intervention)	2	-
	Baseline inferred from time in program (e.g. 1 vs. 3 years)	1	1
EXCLUSIONS Details of people specifically excluded from the measurement: <i>Women who could not attend to complete a survey between the 10 and 13 January 2021</i>	N/A	N/A	
Data Collection	Online surveys		-
	OR hardcopy surveys		Y
	DISTRIBUTION Data collection supervised by Huber Social consultants trained in ethical and accurate data collection	1	1
	Translation conducted according to Huber Social protocol to ensure meaning of question is consistent across languages	1	1
	Details on translation or guidance if provided: <i>Written translation of surveys in Tamil and Malayalam</i>	N/A	N/A
	DATA SOURCES Data mining of other sources	1	-
	Data included from previous years/measurements	1	-
Cleaning	Partial responses removed or no partial responses	1	1
	CLEANING Details of any responses removed: <i>Incomplete responses removed. Responses removed where ID number did not match answer to whether or not the participant had received a Virutcham loan.</i>	N/A	N/A
	SHIFT MEASUREMENT Calculated on time in program		Y
	Calculated on pre and post measurements		-
Analysis	Calculated on group average	1	1
	Calculated based on individual scores	2	-
	TEST APPLIED Basic analysis		Y
	Testing for significance in shifts	1	1
	Regression testing	2	2
	Details on statistical analysis: <i>Stepwise regression was conducted with wellbeing as the dependent variable, and the individual factors and demographics as the independent variable to determine the significant predictors of wellbeing. All state level or higher shifts were tested for significance and the level of significance noted throughout the document.</i>	N/A	N/A
Reporting	REPORTING Client published Outcomes Report (prove)	1	
	Client received Social Performance Report (improve)	2	
	Client published full Social Impact Report	3	3
RIGUOUR SCORE LOW: 1-9; MED 10-14; HIGH 15-19		MED	11



Annex: UN SDG Impact Standards for Enterprises

The objective of the UN Impact Standards for Enterprises is to link sustainable development with core business and purpose. Across the four standards of 1. Strategy, 2. Management, 3. Transparency and 4. Governance, there are indicators to assess how well an organisation is set up and operating to meet this objective. Implementation of the Standards call for impact management tools to enable and facilitate better decision making.

Through engaging Huber Social, independent third-party social impact measurement experts, to establish an active social impact measurement system, Virutcham is supported to meet the UN Impact Standards. Specifically, the Huber Social Impact Measurement approach meets the following Standard indicators:

Huber Social Impact Measurement	UN Impact Standards for Enterprises – Indicators
Huber Social’s measurement system provides data driven insights to inform decision making about where to direct resources to have the greatest impact.	1.11, 1.1.3, 1.1.5, 1.3 2.1, 2.2, 2.3
An active social impact measurement system, aligned to global standards, administered and updated by an independent authority and social impact measurement expert.	1.3 2.1.5, 2.1.7, 2.2.2, 2.3
Involves a co -design approach to determine the social impact model of an organisation and the scope of the measurement. The Social Impact Measurement Plan is subject to independent ethical review.	1.11, 1.1.3, 1.14, 1.2 2.1.3, 2.2.3 4.1.2, 4.1.3
Collects data from the people directly impacted and employed statistical analysis to identify a shift in Wellbeing and the relative weighted needs of people to maximise this.	1.1.5 2.1.3, 2.24, 2.3
Builds internal capability to collect data on an ongoing basis with independent assurance performed by Huber Social over the data collection activities.	2.1.6
Utilises a scientific methodology to determine contribution, using a baseline and relevant counterfactual analysis techniques	2.2.2 3.4
Measures impact in terms of overall Wellbeing to ensure, overall, Virutcham is having a positive social impact for stakeholders they impact.	1.1.2 2.3
Results and methodologies documented in social impact measurement reports, prepared by independent experts Huber Social.	2.2.7, 2.3 3.4, 3.7

Please note – The UN SDG Impact Standards for Enterprises are only available as a first draft. A second draft will become available for public consultation in early 2021. The final version (1.0) of the Standards will become available in Q2 2021.



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