

## 2 LMDF and Education

### Access to education through different services

LMDF's remit to work with some of the most excluded people on the planet leads it to work with a high proportion of women and people from rural areas. Many of our micro-entrepreneurs have had little or no chance to access education and training. Even if they did, their education may have been of low quality and limited relevance.

In these circumstances, micro-entrepreneurs often struggle with some of the basic skills needed to run their business, such as literacy or basic accounting. Sadly, this problem often passes down through the generations, and their children also have limited chances to access schooling.

Education can have a dramatic effect on our micro-entrepreneurs' businesses. As well as helping the micro-entrepreneurs to develop the skills needed to make their businesses a success, it empowers micro-entrepreneurs to believe that they can succeed. Micro-entrepreneurs are also keen to ensure that their children have access to an education that will stand them in good stead for the future.

Microfinance institutions take various approaches to help support their clients'

education. Some focus on the micro-entrepreneurs themselves, others on their children and on future generations:

- Access to basic education: MFIs offer rewards to their clients who ensure their children are enrolled in schools;
- Savings products for education financing: By having a specific education savings account micro-entrepreneurs can ensure they have sufficient funds for their children to continue their studies;
- Supply side education financing: MFIs offer credits another financial instruments to private schools to improve infrastructure and teacher qualifications;
- Student financing: MFIs provide financial products for poor students who would not normally be able to access tertiary education;
- Financial education: Many MFIs provide skills training together with the loan to give their clients the best chance of success in their businesses;

The following page looks at some of LMDF's partner MFIs and the different approaches they have taken to allow their clients to access education and training.

#### EXAMPLES OF SERVICES FOR EDUCATION

