

Bringing change to the table

Empowered
Poor:
Small
loans make
BIG
impact

By CAROL PAVLIK

For The Sun Day



Photo by Chris LaPelusa | Sun Day
Through providing micro-loans as little as \$200 or less Ernest and Donna Mall have helped South Asian families living below the poverty line establish businesses and better their lives.

Sun City resident Ernest Mall is just one person, but what he witnessed on his visits to South Asia — India, Nepal, Tibet, Myanmar — stayed on his mind.

What Mall saw was extreme poverty: families struggling to make ends meet, children forced into child labor and foregoing education, individuals unable to extricate themselves from the cycle of poverty.

“So many people are so desperate, they are turning to loan sharks,” says Mall. “These are ruthless people — they take advantage of poor people, give them money, but charge them huge interest. [The borrowers] would kind of become slaves to them. They can barely pay the interest. They can never get out of their grip. There are so many things people can do, if they just had a little help,” says Mall.

Mall and his wife, Donna, started wondering what they could do to make a dent in the poverty. So six years ago, they started Empowered Poor, a non-profit organization that mainly focuses on micro-loans (\$200 or less) for individuals or families in South Asia who are living below the poverty line and would otherwise be unable to get a loan from a bank. Today, Empowered Poor has grown enough that it can issue 100s of loans every 18 months. Once the loans are repaid, the money is recycled into 100s new loans.

Immediately, the Malls saw positive results. One man, in the pilot project for Empowered Poor, used his \$200 loan to start a tailoring business. To get around, he rode an old bicycle. Once the tailoring business got off the ground, the man was able to buy another sewing machine, which enabled him to take in more jobs and hire a helper.

“The next time I saw him,” said Mall, “He had a motorcycle. Now he has a car.” In addition, his dream of his children getting an education has come true: his daughter is in nursing school, and his son is going to engineering college.

Mall says these scenarios happen over and over as Empowered Poor gives people below the poverty level a small chance to start again. Families buy a few piglets or chickens to start a farm, or buy a cart with a stove for a small food business. The loan recipient has a three-month grace period to get the business up and running, then in the fourth month, they begin paying back the loan. In 18 months, the debt is repaid, and their lives have changed for the better.

Mall is proud to add that the loans do get paid back — Empowered Poor has a zero default rate.

As important as it is to have an education or have a trade or skill, Mall firmly believes that what people really need is an opportunity.

“Given an opportunity, they will do whatever it takes,” he said. “What we’ve seen is that they learn and want to get better, because nobody’s given them a chance like that.”

Through Empowered Poor, Mall hopes to achieve helping 100,000 people in the next 10-20 years. Through micro-lending, job training, education and even prison training, Mall looks forward to seeing the exponential effect of small micro-loans on the overwhelming poverty in South Asia.

For the Malls, knowing they are helping to change the landscape of one of the poorest regions of the world makes them feel optimistic.

“Their thinking and vision changes,” he said of the people he’s gotten to know through Empowered Poor. “Now they have a means to dream and have a hope for whatever they want to do. They can do something, but you have to give them the opportunity.”

• See more at:
<http://www.mysundaynews.com/2016/06/02/bringing-change-to-the-table/#sthash.1Nooq2Gh.dpuf>

For more information, please visit
www.EmpoweredPoor.org
The 4th Annual Changing Lives Golf Benefit
will be held on Monday, August 29
at Whisper Creek Golf Club followed by
dinner at Drendel Ballroom.