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EVALUATION OF THE IMPACT OF A.I.D.
ON SMALL BUSINESS AND MICRO-ENTERPRISE
IN THE DOMINICAN REPUBLIC

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*Problem is we
really don't know role
of program, recovery role,
sustainability, etc*

I. Introduction

This report presents the economic and social impact of credit assistance on a sample of micro and small businesses in the Dominican Republic. Specifically, it examines changes experienced by beneficiaries of loans provided by the Association for the Development of Microenterprise (ADEMI) and the Fund for Industrial Economic Development (FIDE). Since 1983, ADEMI and FIDE have been the principal programs through which USAID/Dominican Republic has executed its strategy in the small scale enterprise sector. The experience of ADEMI and FIDE beneficiaries has demonstrated that loans for working and fixed asset capital and related assistance have a dramatic economic effect on micro and small businesses. The loans have generated substantial employment at low cost, and have contributed substantially to the small entrepreneur and his/her family's economic and social welfare.

A few examples are illustrative. The case of Jose Heromi Suero shows how loans to micro enterprises can have a dramatic impact on the business and the beneficiaries. Mr. Suero sold vegetables, meats and fruit from a tricycle in Santo Domingo. Three loans from ADEMI, ranging from 300 to 12,000 pesos (US\$95 to US\$3,800) led to a doubling of his monthly sales. The loans enabled him to purchase a food stand and hire a full-time employee. Moreover, his income increased to a level enabling him to make major purchases for his home and to cover several large emergency expenses.

Loans to small businesses have also shown dramatic results. Nine years ago in Moca, a small town in northern Dominican Republic, Agustina Mercedes Tavarez set up a small garment workshop in her backyard with only one sewing machine and two employees. In 1985, at the time of her loan from the FIDE program, she had 20 workers and assets of nearly 79,000 pesos. In the two years since her loans, her work force has increased by 25 percent and her monthly sales have more than doubled to 20,475 pesos (nearly US\$6,500). As a result of the Caribbean Basin Initiative Program, she buys material from New York for her line of children's clothing and sells exclusively to a distributorship in Puerto Rico. Mercedes Tavarez has been able to build her own house and buy a new car. Soon, she plans on taking out a line of credit with a commercial bank.

These two clients exemplify some of the characteristics and types of impact which are representative of two broad sized categories of small scale enterprise: micro-enterprise and small business. USAID assisted the micro enterprise segment through the ADEMI program and the small business segment through the FIDE program. Each program is designed quite differently to meet the specific needs of these two separate target groups. Throughout this report the results of the survey are presented in a comparative form showing ADEMI client versus FIDE client performance and impact. It is important to emphasize that the ADEMI-FIDE client data compare not only the results of these two service programs, but also the size categories of micro and small businesses assisted by ADEMI and FIDE respectively.

ADEMI is a Dominican, private, non-profit organization established in 1982 to specifically assist the informal sector and micro-enterprises; groups which have little access to formal credit. ADEMI has received support from various agencies, of which A.I.D. has been the principal supporter. ADEMI adopted a

Sound approach

few key strategies over the past five years and successfully developed a program based on them. One of these strategies is that credit is provided only for the working capital needs of existing micro-businesses. New clients receive very small initial loans with short maturities. Good repayment performance is rewarded with incremental increases in loan size and repayment terms. Loan size may grow from an initial pesos 300 to 15,000, and the repayment period may increase from 3 to 12 months. Credit decisions are quick, and the program is agile. Interest rates are set high enough for operating self sufficiency, yet are well below informal sector loan shark rates. Field promoters locate, rapidly evaluate, and carefully monitor borrowers by geographic zone. Unlike many non-profit programs, ADEMI has pursued a policy of increasing its scale rapidly as a key factor for both development impact and organizational financial self-sufficiency. By mid-1987, over 3,436 clients had received a total of 13,121 loans since program inception, of which nearly 3,000 are reportedly active currently with an outstanding total portfolio of approximately pesos 3,000,000. The program has expanded beyond the capital to 16 zones cities of the interior. ADEMI has developed and manages a computerized information system which it effectively uses in program management, monitoring, and reporting.

The FIDE program was initiated in 1983 by USAID and the Government of the Dominican Republic (GODR), and is administered by the Dominican Central Bank through a newly established unit called CAPE (Center for Assistance to Small Enterprise). FIDE's objective is to provide medium to long-term financing (2 to 6 years) for investment and related working capital requirements for small enterprises. The project also provides technical assistance and has encouraged the establishment of six Technical Assistance Centers (CAT) in different regions of the country. The banking system was brought into the program as the intermediary financial institutions that could lend to the final borrowers. In order to stimulate the development of the CATs, banks were required to loan at least 80% of program resources to small enterprise clients assisted by the CATs, which were reimbursed for their assistance by commissions included in the interest rate, and which were designed to make the CATs eventually self-sufficient financially. The remaining 20% of program lending could be done between bank and eligible clients without CAT involvement.

A total of \$7 million was allocated by A.I.D. and the GODR for loan funds and grant subsidies, including the initial subsidy of CATs' operating budget. During the early years of operation, the Central Bank gave separate approval for each loan submitted by an intermediary financial institution. As this process proved time consuming the Central Bank adopted a new approach whereby a package of loans totalling up to 150,000 pesos (later increased to 300,000 pesos), could be approved together. Over the 5 years of the program, approximately 500 loans have been disbursed through 25 financial institutions. The maximum limit on individual loans is pesos 100,000, and the average loan approximates pesos 35,000. All told, a total of pesos 14,671,526 approved has been for loan.

II. Methodology of the Study: The Survey and Case Studies

The methodology utilized to carry out this impact evaluation combined objective, subjective, and indicative or illustrative approaches. The team interviewed a sample of 100 beneficiaries for quantitative and qualitative information. Based upon this sample, the team prepared individual case studies, contained in the annex of this report, and an evaluation report. A pre-established total of 100 small-scale enterprise (SSE) owner-managers from both programs were interviewed at their places of business, using a one hour standardized questionnaire (with a few variations by program).

Interviews were carried out by Peace Corps volunteers who had participated in an orientation session. A sample was tested by ISTI consultants and USAID/PED/DR. Sixty percent of those surveyed were participants in the ADEMI program and 40% were FIDE borrowers. Of the FIDE respondents, 30 were assisted by CATs and 10 by direct loans. Respondents from these two groups were selected using additional key criteria. Age of the loan was a factor; those with older loans were favored over newcomers to the programs because older loans would have had time to produce demonstrative results. Geographic location, economic sector and gender were other factors and the team selected a representative cross section of each. To the extent possible, firms were picked randomly after following the above selection criteria so that a cross-section of SSEs, including both good and poor performers, might be included. In the case of ADEMI, this random approach was somewhat distorted because respondents were all active (versus "inactive") clients. This is a result of ADEMI methodology which eliminates poor performers from its program and thus minimizes their significance to the overall portfolio. Consultants also interviewed staff at ADEMI, and at the CAPE section of FIDE in the Central Bank. The team also visited four of the six CATs, and three (CATs) Bank participants in the FIDE program.

III. Client Profile

Beneficiaries of the ADEMI and the FIDE loan programs tend to be engaged in traditional industries (garments, furniture, shoes, bread, candy, construction blocks) or in service industries (tailoring, upholstery, auto repair, photography). Commerce, including restaurants and bakeries, represented only a small proportion of the surveyed population. Even though the commercial sector has the largest number of small firms, most are not eligible for these programs because they tend to generate less employment per dollar of credit than other sectors.

Table I

ADEMI and FIDE Clients:
Principal Economic Activities, by Sector

<u>Sectors</u>	<u>ADEMI</u>	<u>FIDE</u>
Manufacturing	50%	45%
Services	37%	31%
Commerce	11%	21%
Other	2%	3%
Total	100%	100%

Source: 1987 Survey of ADEMI and FIDE Clients

Of the managers surveyed, 98 percent were the principal owners of their respective businesses. For many ADEMI clients, this business was their sole source of income; only 27 percent had another means of generating income. Of the FIDE clients, 57 percent had developed complementary sources of income. They earned this additional income principally from related work in the service sector i.e. shoe, or textile furniture repair, or the commerce of prepared foods, and they tended not to be the owner of this second enterprise. The FIDE clients appeared more able to diversify their risk through this second source of income than those borrowing from ADEMI.

Commonly, the FIDE clients were better educated than their ADEMI counterparts. Eighty-two percent of the FIDE clients had completed secondary school, and half of this group had attended university as well. Of the ADEMI clients, only 40 percent had been to secondary school and one third of the total had only a primary school education.

Beneficiaries of the FIDE program had significantly greater assets, sales, and employees on average than did the ADEMI beneficiaries. Three-fourths of FIDE clients owned their homes, while only half from the ADEMI program were in similar situation in 1987. FIDE clients had on average six times the volume of fixed assets than those held by their ADEMI counterparts in 1987. (See Table No. V) Monthly sales from businesses receiving FIDE loans were nearly four times those generated by those receiving ADEMI loans. FIDE borrowers employed 17 workers on average in 1987, while the ADEMI borrowers employed an average of six workers. (See Table No. VIII)

With households averaging six members in size, business owners benefitting from the ADEMI and FIDE programs have considerable responsibilities for their families' welfare. Among borrowers in both programs, on average, only one other income contributes to household welfare. The large majority was married with only one quarter either single or separated. Women owners constituted from a fifth (FIDE) to a quarter (ADEMI) of the beneficiaries of these loan programs. Most women owners were jointly responsible with their husbands for their families' welfare.

Savings

Borrowers' propensity to save in banking institutions was high particularly in the FIDE credit program. Three-quarters of the FIDE clients already had savings accounts prior to their first loans, not surprising in view of the substantial guarantee requirements of this program. Among ADEMI borrowers, 54 percent had prior savings accounts. An additional 20 percent of ADEMI borrowers opened savings accounts at the time of their first loans, most likely due to the forced savings component of the program which required clients to open a savings accounts without requiring specific amounts to be kept in them. FIDE borrowers who kept a greater proportion of their savings in financial institutions, than did the ADEMI borrowers, maintained only token balances. Savings were withdrawn principally for working capital needs and secondarily for family necessities or emergencies. Many of the new savers used the savings accounts more like operating accounts.

Due to the high inflation in the Dominican Republic over this period, and the low fixed interest rate paid on savings accounts, savers experienced negative returns on their accounts. As a result, many program beneficiaries withdrew portions of their savings to purchase goods that would yield higher returns, such as stocking materials, while keeping the remaining portions in the accounts as hedges against inflation.

Another important alternative means of savings many borrowers chose was investment in fixed assets. Sixty-nine percent of the FIDE clients and 57 percent of the ADEMI clients increased their fixed investments. For ADEMI clients, a common use of savings was the purchase of consumer goods, such as cars or appliances. (See Table XIII) Holding cash at home was a distant second alternative.

The majority of ADEMI clients, over 60 percent, said they would keep their savings accounts even if ADEMI's program requirements for the accounts were eliminated. Moreover, they said if and when inflation decreased or interest rates increased on those accounts relative to inflation.

Alternative Sources of Credit

One assumption of both the FIDE and the ADEMI loan programs is that alternative sources of credit are not readily available for small businesses and micro-enterprises. This survey confirmed that alternative sources of loans are not widely accessible to the beneficiary firms. Two thirds of the firms had received no other credit, beyond the loans obtained through the FIDE or ADEMI programs.

Only 31 percent of the FIDE clients, by far the more commercially creditworthy of the two, had access to loans from private banks. Fourteen percent had obtained loans from money lenders and seven percent from family sources. More surprisingly, one-fourth of the ADEMI clients had borrowed from private banks. Twenty-one percent of the ADEMI clients had obtained loans

from money lenders, a common source of credit for small firms with minimal assets. In addition, subsidized credit programs, such as the Fundacion Dominicana de Desarrollo (FDD) and ASPIRE, reached 16 percent of the ADEMI clients surveyed.

When asked what the firm would have done without the loan from either FIDE or ADEMI, more than half of the owners responded that they would have requested credit from another source. But the balance, 38 percent in the case of FIDE and 44 percent in the case of ADEMI, stated that they would not have received any other type of loan.

In sum, alternative sources of credit are more available to ADEMI and FIDE clients than was originally expected, even though access is still limited for the majority.

IV. FIDE AND ADEMI: The Beneficiaries' Credit History

Sixty-seven percent of FIDE borrowers took out credit through the program principally because of the favorable terms of the loans - lower interest and longer - term repayment with a grace period. The short-term nature and the high cost of loans offered by commercial banks and money lenders were less attractive and less suited to the needs of FIDE clients. Thirty seven percent of ADEMI borrowers were attracted by both the convenience and the favorable credit terms of this program. Thirty percent mentioned favorable credit terms but did not cite convenience as a factor. These opinions most likely are due to high turnover of capital afforded by the rapid approval and disbursement of loans by ADEMI accompanied by interest rates considerably less than those offered by loan sharks, although above commercial rates.

The different attitudes of beneficiaries of the two programs are also reflected in their credit histories. On average beneficiaries of the FIDE program received one long-term loan principally for the purchase of fixed assets, often in combination with related working capital. Clients of ADEMI received, on average, eight loans used almost exclusively for working capital. Moreover, the size of an average FIDE loan. (50,522 pesos/U.S. \$15,900, is nearly eleven times the average of the largest and most recent ADEMI loans (4,370 pesos,/U.S. \$1,380, adjusted for inflation).

Table IIA

ADEMI Clients:
Average Size and Purpose of First Loan and
Last Loan, Adjusted for Inflation

<u>Type of Loan</u>	<u>Unadjusted Amount*</u>	<u>Adjusted Amount*</u>	<u>Purpose of Loan</u>
First Loan	452	583	90% working capital 5% fixed assets 5% both
Last Loan	4,306	4,370	87% working capital 7% fixed assets 7% both

* in pesos

Source: 1987 Survey of ADEMI and FIDE Clients

Table IIB

FIDE Clients, including CATs and Non-CATs:
Average Size and Purpose of First Loan and Last Loan,
Adjusted for Inflation

<u>Institution</u>	<u>Unadjusted Amount*</u>	<u>Adjusted Amount*</u>	<u>Purpose of Loan</u>
CATs	32,226	48,899	19% working capital 44% fixed assets 38% both
N/CATs	44,310	60,556	40% working capital 30% fixed assets 30% both
FIDE (CATs & N/CATs)	35,103	50,522	24% working capital 41% fixed assets 36% both

* in pesos

Note: FIDE clients received an average of one loan; therefore, data was most usefully gathered on trends in the first loan obtained by the FIDE clients.

Source: 1987 Survey of ADEMI and FIDE Clients

The sizes of ADEMI loans to clients rose very sharply over time. In general, the size of the most recent loans extended by ADEMI to its clients is six and a half times the size of the first loan, even after adjusting for inflation. A question raised by this trend in ADEMI loans for working capital is whether loan defaults by these borrowers are on the rise. Do the beneficiary firms have the capacity to fully absorb this rapid escalation in the size of the loans extended. As stated before, rapid increase in loan size to well performing ADEMI clients is part of their program methodology.

Due to the greater size and the fixed asset investment use of the FIDE loans, its approach is very different from that of ADEMI. While data was not gathered on loan defaults, substantial information was obtained on the impact of these loans on these firms' economic performance.

V. Economic Impact of Credit: FIDE and ADEMI Beneficiaries

Sales, Costs and Income

Survey data revealed significant real improvement in sales and income over time. Table III compares sales, costs and income levels before and after loans.

FIDE clients averaged an 38 percent real increase in average gross sales, calculated on a monthly basis, from the period prior to receiving their loans to July 1987. Costs rose 89 percent in this same period. Nonetheless, income was estimated to have grown 71 percent on average for these beneficiaries.

Improvements in the economic performance of ADEMI clients are significant though slightly less dramatic. Average gross sales rose 68 percent in real terms, while estimated costs, adjusted for inflation, increased 69 percent, and income rose 52 percent. The accuracy of the income data is unclear, however, especially given the lack of written accounting records in most micro-enterprises and many small firms.

The sharp rise in inflation, particularly in 1984 and 1985, is reflected in the cost escalation facing borrowing firms. (See Annexes Nos. 2 and 3) Costs for FIDE clients increased 53 percent in 1984, 103 percent in 1985 and 167 percent in 1986. It is possible that FIDE clients have been proportionately more affected than ADEMI clients by the recent inflationary spiral, due to the greater import intensity of these small firms when compared to micro-enterprises. Still, the sales growth outstripped the effect of rapid inflation.

Table III

ADEMI and FIDE Clients:
Gross Average Monthly Sales, Costs and Income
from Prior to First Loan to 1987
Adjusted for Inflation

	Before Loan	After Loan	
	<u>Adjusted Amount*</u>	<u>Current Amount*</u>	<u>Difference</u>
<u>Sales</u>			
ADEMI	5776	8535	48%
FIDE	17325	34582	100%
CATs	14426	31756	120%
NON CATs	26022	43060	66%
ALL	10396	18954	82%
 <u>Costs**</u>			
ADEMI	2956	4836	64%
FIDE	10976	21351	94%
CATs	9158	19488	113%
NON CATs	16429	26941	64%
ALL	6164	11442	86%
 <u>Income</u>			
ADEMI	2786	3698	33%
FIDE	6548	13470	105%
CATs	5473	12621	131%
NON CATs	9772	16020	64%
ALL	3375	7607	125%

* in pesos

** Data on estimated costs were gathered in the survey, and aimed to include expenses for raw materials, rent, water, electricity, fuel, insurance, as well as administrative and financial expenses.

Source: 1987 Survey of ADEMI and FIDE Clients

Women Beneficiaries of the FIDE and ADEMI Programs

Micro-enterprise credit programs have been perceived as valuable means of providing benefits to economically active women. Many of the twenty women FIDE and ADEMI clients included in the survey were able to use the credit to increase sales and income (see Table), though to a lesser extent than the total client population. In terms of volume, the average base monthly sales,

costs and income of women clients were comparable of just slightly lower than for all clients. Over time, however, women clients of both programs averaged a 30 percent rise in sales and a two percent rise in income, after adjusting for inflation. The total client population averaged a 82 percent rise in sales and a 64 percent rise in income, adjusted for inflation.

The economic data also suggest that the women clients of the FIDE program have fared relatively better than their ADEMI counterparts. FIDE clients experienced a 53 percent rise in sales and a 27 percent rise in income, while the ADEMI clients suffered a decline in both sales and income. The figures on ADEMI, however, are somewhat distorted by the severe financial difficulties of two of the women clients.

Table IV

ADEMI and FIDE Women Clients:
Gross Average Monthly Sales, Costs and Income
from Prior to First Loan to 1987
Adjusted for Inflation

	Before Loan	After Loan	
	<u>Adjusted Average</u>	<u>Current</u>	<u>Adjusted Difference</u>
<u>ADEMI</u>			
Sales	6022	4295	-29%
Costs	2259	2260	0%
Income	3879	1998	-49%
<u>FIDE</u>			
Sales	12136	18580	53%
Costs	6063	8979	48%
Income	6191	7876	27%
<u>ALL</u>			
Sales	9419	12231	30%
Costs	4372	5993	37%
Income	5164	5263	2%

Note: Data used for this table is from the twenty women clients surveyed in the ADEMI and FIDE programs.

Source: 1987 Survey of ADEMI and FIDE clients

Salary Expenses

Given the greater volume of sales of FIDE borrowers in the period from prior to their first loan up to 1987, it is not unexpected for average monthly salary expenses to have risen sharply as well. After being adjusted for inflation, labor costs of these FIDE borrowers rose sharply increasing from an average of 2805 pesos to 5581 pesos. Labor costs for the borrowers from the ADEMI program declined 32 percent in real terms.

Table V
ADEMI and FIDE Clients:
Average Monthly Salary Expenses
from Prior to First Loan to July 1987
Adjusted for Inflation

	Before Loan		After Loan		
	<u>Unadjusted Amount*</u>	<u>Adjusted Amount*</u>	<u>Current Amount*</u>	<u>Unadjusted Difference</u>	<u>Adjusted Difference</u>
ADEMI	618	974	1664	169%	71%
FIDE	2056	2805	5581	171%	99%
CATs	1578	2101	3952	150%	88%
N/CATs	2018	2964	5655	180%	90%
Total	1041	1570	2700	159%	72%

* in pesos

Source: 1987 Survey of ADEMI and FIDE Clients

These diverging trends may reflect, in part, the different ways small and very small enterprises handle labor costs. Larger firms are more likely to pay a minimum wage and to provide benefits, such as social security or vacations. Smaller firms often pay less than the minimum wage and provide no benefits. Therefore, the discrepancy in average labor costs between ADEMI and FIDE borrowers is most probably due to lower labor expenses of ADEMI firms which, in turn, is due to more limited sales growth, fewer workers and a more modest growth in employment. Several of the ADEMI firms surveyed had reduced their firms to skeleton staffs, which may have distorted the average monthly total. Also, as ADEMI clients received loans over a longer period of time than FIDE clients, they may have been less able to remember salary figures from prior to the 1984 spurt in inflation.

Assets

Fixed assets, adjusted for inflation, nearly doubled in firms benefitting from the ADEMI program, quite an accomplishment considering the working capital bias of this loan program. FIDE borrowers had over an 80 percent real rise both in fixed and total assets for the same time period. The sizable jump for the micro-enterprises borrowing from ADEMI most likely reflects the relatively modest base of assets at the time of first loans. In general, FIDE borrowers have more than six times the fixed assets of ADEMI clients. However, because FIDE borrowers started with relatively larger fixed asset base before their loans, the percentage increase in their assets, is slightly less than that of ADEMI clients.

Table VI

ADEMI and FIDE Clients:
Fixed and Total Assets from Prior to
First Loan to 1987, Adjusted for Inflation

	Before Loan	After Loan	
	<u>Adjusted Amount*</u>	<u>Current Amount*</u>	<u>Adjusted Difference</u>
<u>ADEMI</u>			
Fixed	12,709	24,115	90%
<u>FIDE</u>			
Fixed	75,783	145,256	82%
Total	128,289	231,906	81%
<u>CATs</u>			
Fixed	74,163	152,116	100%
Total	122,306	248,957	103%
<u>NON-CATs</u>			
Fixed	97,206	124,790	28.3%
Total	146,238	180,754	23.6%

* in pesos

Source: 1987 Survey of ADEMI and FIDE Clients

Use of Installed Capacity

The credit program has given both ADEMI and FIDE beneficiaries the ability to make greater use of their installed capacity and to develop retail outlets as a complement to their on-going businesses. With increased availability of working capital, managers are better able to utilize idle capacity. Ninety percent of the FIDE borrowers and 69 percent of the ADEMI borrowers greatly increased the time dedicated to their businesses. Similarly, manufacturers of consumer products such as furniture and candy have used working capital loans to develop retail capacities, and have dramatically increased sales. Approximately one fourth of the FIDE and ADEMI borrowers added new economic activities, principally retailing and services, since receiving their first loans, but none started new businesses with the additional company income. The vast majority of additional company income was used for working and fixed asset needs of the company, rather than personal use.

Table VII

ADEMI and FIDE Clients:
Use of Additional Funds if Profits have
Increased Since Receiving Loan
(percentage responding yes)

<u>Institution</u>	<u>Working Capital</u>	<u>Fixed Assets</u>	<u>Start New Business</u>	<u>Other</u>
ADEMI	55%	50%	0%	18%
FIDE	78%	70%	0%	10%
CATs	90%	73.3%	0%	3%
N/CATs	40%	70%	0%	30%

Source: 1987 Survey of ADEMI and FIDE Clients

External Factors

An external factor limiting the operating capacity and the revenue of firms benefitting from the loan programs has been an inadequate supply of electricity. A serious problem identified consistently by small businesses throughout the Dominican Republic is the frequency of blackouts and the restricted availability of electricity. Often, electricity is available four to five hours a day, and a generator becomes a necessity, not a luxury. As a result, many firms operate at levels considerably less than installed capacity.

VI. The Employment Impact on the Beneficiary Enterprises

In the Dominican Republic, with an estimated 45 percent unemployment rate, a common expectation among program beneficiaries is that jobs will be generated. In fact, the growth in production and sales by firms in both programs, stimulated in part by these loans, has created approximately 480 new jobs in the sample of companies interviewed. Table VIII shows that the average increase in employment per firm included in the survey for FIDE was about 7, and for ADEMI was 4. If this average applies to the universe of companies assisted by each program, then total new employment creation would be approximately 15,500 of which 3,500 would come from 500 FIDE beneficiary companies and 12,000 would come from 3000 ADEMI assisted micro-enterprises. These figures are higher than those reported by FIDE and ADEMI. A FIDE evaluation of 60 firms assisted between 1983-85 found the average employment per firm to be 6 rather than 7. ADEMI recently reported through June 30, 1987 that their beneficiaries had created a total of 3,700 jobs, or about 1.2 jobs per active client. These figures would lower total job creation by both programs to approximately 6700, instead of 15,500. Nevertheless, it is important to note that ADEMI firms in our sample have been in the program at least a year whereas many of the micro-enterprises in the current ADEMI portfolio have been clients for a shorter time. It is expected, as verified by our sample, that older clients will have generated more employment, and this would create a higher beneficiary-job ratio.

Using these two sets of employment generation figures to establish an estimated cost per job generated shows that for FIDE the cost per job is between US\$2673 and US\$2004, while for ADEMI it is between US\$1156 and US\$693. (The ADEMI figure is based on the last and largest loan, therefore the calculation is artificially high. This calculation was used because the average of ADEMI's multiple loans to cash client wasn't available. If used, it would give a lower cost per job generated.)

These figures show that, over the same time period, the ADEMI program has generated a greater total number of jobs than has FIDE, and the cost in credit for ADEMI to generate a job is considerably less than the cost for FIDE. Finally, the FIDE program has utilized approximately US\$5,000,000 to make 500 individual medium and long-term loans to the same number of companies, while ADEMI has utilized slightly less than US\$1,000,000 to make multiple short-term loans to over 3000 micro-enterprises. The larger job generation impact of ADEMI, therefore, was accomplished with about one-fifth of the investment capital credit funds needed by the FIDE program.

Table VIII

ADEMI and FIDE Clients:
Average Employment from Prior to First Loan to 1987

<u>Institutions</u>	<u>Average Number of Employees Before Loan</u>	<u>Average Number of Employees As of 7/87</u>	<u>Percentage Change in Employees</u>
ADEMI	3.27	6.45	97%
FIDE	9.12	16.02	76%
CATs	8.72	15.32	79%
N/CATs	10.4	17.4	67%
Total	5.63	10.3	83%

Source: 1987 Survey of ADEMI and FIDE Clients

On an individual company basis, the work force in the small firms benefitting from FIDE loans grew 76 percent from the time of their first loans to July 1987. The number employed in the ADEMI client firms increased by an even larger 97% in the same period. As was mentioned earlier, the rapid expansion in sales after firms received loans stimulated a high rate of job creation. The employment effect of both programs is significant in a country where unemployment is a major economic problem.

Overall Employment Impact

Estimated total employment in all enterprises assisted by ADEMI (19,000) and FIDE (8500) including existing and new employees is 27500, all of which realized benefits based on the loan programs. Given a 6 to 1 ratio of dependents to employees, 165,000 Dominicans were assisted by the program, directly or indirectly.

Worker Salaries

Salary figures obtained from owners of small firms are often inaccurate. While existing tax and labor legislation is often not enforced, managers generally want to avoid problems with the government. The figures below are on owner's estimates of the average monthly salary per worker. They appear over-stated since the current minimum wage is set at 250 pesos monthly. Small firms in developing countries, and especially micro-enterprises, commonly offer less than the minimum wage. It is important to note that at the time of the survey, the Dominican Government was considering a long overdue increase in the minimum wage to approximately 400 pesos, because of wage erosion due to inflation. This could explain why beneficiary companies in both programs were paying more than the current minimum wage.

Table IX

ADEMI and FIDE Clients:
Owner's Estimate of Average Monthly Salary Per Worker
from Prior to First Loan to July 1987

	Before Loan		After Loan		
	<u>Unadjusted Amount*</u>	<u>Adjusted Amount*</u>	<u>Current Amount*</u>	<u>Unadjusted Difference</u>	<u>Adjusted Difference</u>
ADEMI	189	298	258	37%	- 13%
FIDE	184	252	275	49%	9%
CATs	181	241	258	43%	7%
N/CATs	194	285	325	68%	14%
Total	187	284	265	42%	- 6%

* in pesos

Note: 17 percent not replying

Source: 1987 Survey of ADEMI and FIDE Clients

Table IX indicates that while in nominal terms salaries increased for employees of both FIDE and ADEMI clients, in real terms FIDE employees were slightly better off. This is because the average time period since the first loan for ADEMI clients is 2.8 years and includes the years 1984 and 1985 when inflation was greatest. On the other hand, in the FIDE sample the average time period since the first loan is only 1.6 years. For the FIDE borrowers, the minimal rise in wages suggests that existing workers benefitted modestly as a result of the loans extended. New workers in both programs benefitted more because they started with less. For some, the loans made employment a possibility, for others it meant an increase from part-time to full-time employment. Existing workers, on the other hand, benefitted only slightly through nominal wage increases, or instances where loans saved their jobs.

Table X

ADEMI and FIDE Clients:
Estimate of Employee Benefits Extended
Since Receiving First Loan

<u>Institution</u>	<u>Social Security</u>	<u>Bonuses</u>	<u>Vacation</u>	<u>Trading</u>	<u>Other</u>	<u>No Reply</u>
ADEMI	13%	19%	10%	34%	19%	31%
FIDE	71%	71%	73%	54%	17%	7%

Source: 1987 Survey of ADEMI and FIDE Clients

Employee benefits are often not available to workers in small enterprises in developing countries. In this survey, owners were asked to identify which benefits they were able to provide their workers after having received their loans.

Nearly three-quarters of owners benefitting from the FIDE program stated that they now provided their workers with social security, holiday and other bonuses, and vacations. Nearly 20 percent provided some form of training. The owners benefitting from ADEMI were significantly less able or accustomed to providing standard employee benefits, such as social security, bonuses and vacations. The ADEMI owners gave greater priority to worker training. Given the perception of the FIDE program as government sponsored, it is more likely that owner responses regarding worker benefits were exaggerated, and account, in part, for the large difference in employee benefits between programs.

On a per firm basis, borrowers from the FIDE program provided a greater number of workers with more benefits and income than was possible for borrowers from the ADEMI program. This trend may be a reflection of more stringent legal requirements on the relatively larger firms. Also it may reflect the improved financial capacity of those benefitting from the FIDE program's larger long-term loans.

VII. Credit Program Impact on Family Welfare

Individual perceptions of personal well-being and one's ability to improve one's family's welfare are valuable indicators of the human effect of such credit programs. For the beneficiaries of these programs, the critical issues are the ability to send children to private schools, to buy homes, and to purchase cars for both business and family use.

Credit beneficiaries were asked whether and how they were able to improve their families' standards of living as a result of the loans and the development of their enterprises. Sixty-two percent of the borrowers stated that family welfare had improved since receiving their loans from the ADEMI or FIDE program. Clients in both cases cited the greatest improvement in the areas of education, housing and transportation. This percentage is exceptionally high given the fact that most entrepreneurs indicated that they reinvested most additional income back in their businesses first, then attended to family welfare.

Table XI

ADEMI and FIDE Clients:
Indicators of Family Welfare from
Prior to First Loan to 1987

<u>Welfare Indicators</u>	<u>Great Improvement</u>	<u>Slight Improvement</u>	<u>No Charge</u>	<u>Decline</u>	<u>No Reply</u>
Housing					
Total	28%	21%	48%	0	4%
ADEMI	32%	24%	38%		
FIDE	21%	21%	62%		
Education					
Total	32%	15%	50%	0	3%
ADEMI	36%	26%	42%		
FIDE	26%	10%	62%		
Health					
Total	16%	13%	68%	1%	6%
ADEMI	16%	16%	61%		
FIDE	17%	7%	71%		
Luxury Items					
Total	16%	14%	62%	1%	6%
ADEMI	16%	18%	58%		
FIDE	17%	10%	69%		
Transportation					
Total	25%	11%	60%	1%	4%
ADEMI	24%	11%	60%		
FIDE	26%	10%	60%		
Emergencies					
Total	9%	14%	70%	0	9%
ADEMI	8%	13%	73%		
FIDE	10%	17%	64%		
Food					
Total	16%	19%	59%	0	5%
ADEMI	21%	21%	52%		
FIDE	10%	17%	69%		
Other					
Total	7%	4%	33%	0	57%
ADEMI	8%	3%	34%		
FIDE	5%	5%	31%		

Source: 1987 Survey of ADEMI and FIDE Clients

Table XII

ADEMI and FIDE Clients:
Use of Discretionary Income for Family's Welfare
from Prior to First Loan to 1987

<u>Uses of Income</u>	<u>ADEMI</u>	<u>FIDE</u>	<u>CATs</u>	<u>NON-CATs</u>	<u>ALL</u>
Housing					
Build/Buy Home	27%	21.5%	22%	20%	24%
Improve Existing	13%	17%	16%	20%	14%
Education					
Private School	36%	14.5%	16%	10%	27%
University	14%	14%	12%	20%	14%
Other Schooling	1%	0	0	1%	1%
Luxury Items					
Furniture	16%	7%	9%	0	13%
TV	18%	4%	6%	0	13%
Appliances	13%	7%	6%	10%	11%
Transportation					
Car	19%	36.5%	32%	50%	26%
Motorcycle	9%	2%	3%	0%	7%
Food					
Better Diet	31%	14%	19%	0%	25%
Health					
Private Clinic	4%	7%	9%	0%	6%

Source: 1987 Survey of ADEMI and FIDE Clients

Over one third of the ADEMI clients were able to send their children to private schools and a similar proportion were able to improve their diets. As in many developing countries, public schools are considered to offer inferior education, therefore a large number of neighborhood private schools charge moderate fees and draw pupils from both working and middle class families. They are given high priority by micro-enterprise families with aspirations for their children.

Over one quarter of ADEMI clients were able to buy homes, and another 13 percent were able to improve their existing housing. Nineteen percent were able to buy a car. Furniture and TVs were purchased by 16 and 18 percent respectively.

The greatest impact on the FIDE clients was the ability to buy a car. Thirty-six percent stated that they were able to use income from their businesses subsequent to the loans to purchase cars. More than 20 percent were able to buy a new home, and 17 percent were able to improve their existing housing. Fourteen percent were able to improve their diets, and a similar percentage used the additional income to send their children to private schools. It is likely that this figure, small relative to the ADEMI clients, may be an indication that the FIDE clients may already be sending their children to private school, given their relatively higher income levels. Seven percent purchased new household appliances.

VIII. Conclusions

Access to fixed assets and working capital from these credit programs have given managers the capacity to substantially increase sales, income and employment, in their small firms, as well as improve the welfare of their households.

For FIDE program borrowers, loans for fixed assets have permitted not only increased sales, but also substantial growth of assets. Sales growth of these firms has outstripped the effect of inflation, even in the high inflationary 1984 and 1985 period. Value added and labor productivity have increased significantly, as has employment. Working capital loans have permitted greater use of installed capacity and the development of complementary services, such as retailing and transportation, as well as moderate growth in assets and employment.

Moreover, an important, but often forgotten, measure of the impact of credit programs for small firms and micro-enterprises is the effect on welfare of the owners, their families and employees. The effect on ADEMI clients is most dramatic. Thirty-five percent of ADEMI borrowers were able to send their children to private schools; twenty-four percent were able to build new homes; and twenty-two percent were able to buy cars. For most owners of micro-enterprises and small businesses, schooling is poor, housing is scarce, and transportation is a critical necessity. As a result, the material benefits of this program to these struggling individuals, particularly the clients of the ADEMI program, are very important indeed.

Although both programs have generated outstanding results for their beneficiaries, the ADEMI program reached six times as many firms (in the micro-enterprise segment) over the same period, employed only one-fifth the amount of capital, and generated more new jobs, and at a cost per job considerably lower than the FIDE program.

NOTE

ANNEX 1

LIST OF TABLES

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ANNEX 2

CONSUMER PRICE INDEX

1980-1987

Annex 2

Consumer Price Index
Period 1980-1987

Year	Percentage Change
1980	16.8%
1981	7.5%
1982	7.6%
1983	6.9%
1984	24.4%
1985	37.5%
1986	9.7%
1987*	16.7%

* Estimated

Source: Central Bank of the Dominican Republic, 1987

ANNEX 3

SAMPLE QUESTIONNAIRE

EXPLICACION DEL OBJETIVO DE LA ENCUESTA

Estamos realizando un estudio para conocer lo que piensan los prestatarios del Programa de Préstamos del FIDE o (ADEMI). Necesitamos obtener más informaciones sobre los beneficiarios de los programas para evaluar el programa financiado por la AID y mejorarlo. Favor de contestar todas las preguntas de la manera más completa que usted pueda, ya que la información sobre su empresa en particular sería utilizada en combinación con la información de muchos otros prestatarios de la República Dominicana.

NOTA: (Marque una sola respuesta de las incluidas en cada pregunta)

Númerc del Cuestionario: _____

Revisado por:

Oficina en la Provincia e Institución: _____

Nombre del Supervisor:

Nombre del Asesor: _____

Cliente Número: _____

Nombre del Beneficiario: _____

Nombre del Entrevistador:

1. _____

2. _____

Nombre de la Empresa: _____

23'

I. ANTECEDENTES DEL BENEFICIARIO

1. Sexo del beneficiario .

1. Masculino 2. Femenino

2. Cuál es su negocio principal?

Servicios/Reparaciones/Taller

- 10. Taller Metálico
- 11. Taller Electrónico/Refrigeración
- 12. Fotografía
- 13. Taller de Automóviles
- 14. Taller de Maquinarias
- 15. Albañilería
- 16. Construcción
- 17. Médico/Dentista
- 18. Conserje
- 19. Chofer
- 20. Barbería/Salón de Belleza
- 21. Tapicería
- 22. Otros

Comercio

- 30. Farmacia
- 31. Transporte
- 32. Restaurantes
- 33. Almacén
- 34. Carnicería
- 35. Panadería/Repostería
- 36. Venta de Refrescos
- 37. Cafetería
- 38. Venta de frutas/vegetales
- 39. Farmacia
- 40. Basureros
- 41. Venta de Animales
- 42. Joyerías
- 43. Otros

Artesanía/Fábrica/Confección

- 50. Textiles/Ropas
- 51. Sastre/Costurera
- 52. Metales
- 53. Ebanistería/Mobiliario
- 54. Mosaicos/Ladrillos
- 55. Cerámicas
- 56. Ferreterías
- 57. Cobre/Bronce
- 58. Bloques
- 59. Cuero
- 60. Calzados/Zapatos
- 61. Talabartería
- 62. Carteras
- 63. Artefactos
- 64. Joyería
- 65. Otros

Procesamiento Agrícola

- 70. Granos
- 71. Frutas
- 72. Vegetales
- 73. Café
- 74. Otros

3. Es usted el dueño de este negocio?

1. Sí 2. No

4. Tiene usted otro ingreso además de las ganancias de su negocio? Por ejemplo, trabaja con la tierra? (Actividad Secundaria)

1. Sí 2. No

5. Si la respuesta es afirmativa, qué tipo de trabajo?
 (Ver pregunta No. 2 para los códigos) _____
6. Es usted el dueño de este negocio?
 1. Sí 2. No
7. Ha agregado a su negocio nuevas actividades desde que recibió su primer préstamo de ADEMI (o FIDE)?
 1. Sí 2. No
8. Si la respuesta es afirmativa, cuáles son las nuevas actividades?
 (Ver pregunta No. 2 para los códigos) _____
9. Qué edad tiene usted?
 (Escribir la edad exacta) _____
- 10.Cuál es el nivel de educación más alto que usted ha realizado?
 1. No escuela 5. Educación Secundaria
 2. Educación primaria no completa (Bachillerato)
 3. Educación Primaria 6. Universidad
 4. Educación Intermedia 7. Licenciatura
11. Está Casado?
 1. Soltero 2. Casado 3. Separado/Divorciado 4. Viudo
12. Cuántas personas viven en su hogar?
 (Escribir el número de personas incluyendo al cliente) _____
13. Cuántas de estas personas contribuyen al ingreso de su hogar?
 (Escribir el número de personas que producen ingresos incluyendo al cliente) _____
14. AL ENTREVISTADOR: Dividir el número de personas en la pregunta No. 12 por el número de personas en la pregunta No. 13.

22. Cuál fue la cantidad total de su primer préstamo de ADEMI (o FIDE)?

(Escribir más abajo en el Cuadro A la cantidad de pesos)

23. Qué tipo de préstamo fue su primer préstamo con ADEMI (o FIDE)? (Llenar en diferentes términos de préstamos)

(ADEMI)

(FIDE)

- | | |
|-------------------------------------|------------------------------------|
| 1. Cap. de Trabajo hasta de 6 meses | 3. Cap. de trabajo hasta de 2 años |
| 2. Cap. Fijo hasta de 12 meses | 4. Cap. Fijo hasta de 6 años |

(Escribir más abajo en el Cuadro A el número del tipo de préstamo)

24. Cuál fue el motivo principal para su primer préstamo de ADEMI (o FIDE)?

1. Capital de trabajo para negocios actuales
2. Equipo, maquinaria o edificio para negocios actuales
3. Capital de trabajo y equipo/maquinaria, etc.
4. Inicio de nuevos negocios
5. Compra de tierras
6. Otros

(Escribir más abajo en el Cuadro A el número del propósito)

CUADRO A

Préstamo Número	Año del Préstamo	Factor de Inflación	Tamaño del Préstamo	Total	Tipo de Préstamo	Propósito del Préstamo
Ultimo Préstamo	:	:	:	:	:	:
Primer Préstamo	:	:	:	:	:	:
Diferencia	:	!XXXXXXXXXX!	!XXXXXXXXXX!	:	!XXXXXXXXXX!	!XXXXXXXXXX!

Año	Factor de Inflación		Tamaño del Préstamo	=	Total
1980	2.557	X	_____	=	_____
1981	2.378	X	_____	=	_____
1982	2.209	X	_____	=	_____
1983	2.066	X	_____	=	_____
1984	1.660	X	_____	=	_____
1985	1.207	X	_____	=	_____
1986	1.100	X	_____	=	_____
1987	1.000	X	_____	=	_____

33. Si la respuesta es afirmativa, para qué utilizó usted este dinero?
(Puede escoger hasta tres respuestas)

1. Capital de trabajo para negocios actuales
2. Equipo, maquinaria o edificio para negocios actuales
3. Inicio de nuevos negocios
4. Necesidades de la familia (comida, ropa, medicina, colegio)
5. Mejoramiento de la vivienda/inversión en las tierras
6. Boda/funeraria/vacaciones
7. Emergencias en la familia
8. Otros

34. Además de una cuenta de ahorros, qué otros medios utiliza para ahorrar?

1. Inversión de capital (e.v. tierra, finca, animales, vehículos, edificio)
2. En efectivo o su equivalente (e.v. cuenta corriente)
3. Otros medios
4. Ninguno

35. Si a usted no se le solicitó para ahorrar (a través de ADEMI), tendría usted todavía una cuenta de ahorros?

1. Sí
2. No

IV. HISTORIA CREDITICIA DE NO-ADEMI/FIDE

36. Ha recibido usted préstamos de:

(NO
PREGUNTAR)

(Llenar en otras fuentes de crédito en la R.D.)	! Qué cantidad ! ! recibió?	! Qué cantidad ! ! tuvo que ! ! devolver?	! Período de ! ! Devolución !	! Tasa de ! ! interés en ! ! efectivo
1.	:	:	:	:
2.	:	:	:	:
3. Bancos Privados	:	:	:	:
4. Vecinos/Familia	:	:	:	:
5. Prestamistas	:	:	:	:
6. Suplidores de Materia Prima	:	:	:	:
7. Compradores	:	:	:	:

Si el prestatario recibió un préstamo de cualesquiera de las fuentes arriba descritas, favor de preguntar: (Pregunta No. 37)

37. Por qué eligió usted esta fuente:
(Indicar la razón más importante.)

1. Préstamo recibido antes que el programa de préstamos de ADEMI (o FIDE)
2. Más conveniente
3. Tasa de interés más baja
4. Períodos de pago más largos
5. Rechazado por el FIDE (o ADEMI)
6. Otros

38. Por qué está usted ahora solicitando préstamos de ADEMI (o FIDE)?
(Indicar la razón más importante).

1. Ninguna alternativa
2. Conveniente
3. Rápido
4. Buenos términos
5. Otros

39. Qué habría hecho usted sin el préstamo de ADEMI (o FIDE)?

1. No habría recibido ningún préstamo
2. Habría pedido otra fuente de crédito
3. Otros

V. ASPECTOS ECONOMICOS DE LA EMPRESA

40. Desde que usted está recibiendo su primer préstamo de ADEMI (o FIDE), el volumen de las materias primas o bienes que usted compra ha

1. Disminuido
2. Quedado en el mismo nivel
3. Aumentado?

41. Sus activos fijos (e.v. maquinaria, equipos, etc.) han

1. Disminuido
2. Quedado en el mismo nivel
3. Aumentado?

42. La cantidad de suplidores ha
1. Disminuido
 2. Quedado en el mismo nivel
 3. Aumentado
43. El volúmen de las ventas ha
1. Disminuido
 2. Quedado en el mismo nivel
 3. Aumentado
44. Sus ingresos después de sus gastos han
1. Disminuido
 2. Quedado en el mismo nivel
 3. Aumentado?
45. La cantidad de su tiempo dedicado a este negocio ha
1. Disminuido
 2. Quedado en el mismo nivel
 3. Aumentado?
46. Cuántas personas trabajaban en su negocio cuando usted recibió su primer préstamo con ADEMI (o FIDE)?
- (Escribir en número) _____
47. Cuántas personas trabajan ahora en este negocio? _____
48. Cuántos empleados nuevos a tiempo completo ha empleado desde que recibió su primer préstamo de ADEMI (o FIDE)? _____
- (Escribir en el cuadro abajo descrito el número de empleados nuevos a tiempo completo)
49. Cuántos empleados nuevos a tiempo medio ha empleado usted desde que recibió su primer préstamo de ADEMI (o FIDE)? _____
- (Escribir en el cuadro abajo descrito el número de empleados nuevos a tiempo medio)

50. Cuántas empleadas tienen? _____

51. Puede darme usted algunos datos sobre la situación económica de su empresa antes del primer préstamo y actualmente? Por ejemplo:

ASPECTOS ECONOMICOS DE LA EMPRESA

<u>Categoría</u>	! Situación Económica ! ! antes del Préstamo !	! Situación Económica ! ! Actual !	! Diferencia !	
			! RD\$!	! % !
1. <u>Venta RD\$/Mes(Promedio)</u>	!	!	!	!
2. <u>Costos Totales/Mes (Promedio)</u>	!	!	!	!
3. <u>Utilidad/Mes (Promedio)</u>	!	!	!	!
4. <u>Activos Fijos</u>	!	!	!	!
5. <u>Activos Totales</u>	!	!	!	!
6. <u>No. Empleados</u>	!	!	!	!
7. <u>Tiempo Completo</u>	!	!	!	!
8. <u>Tiempo Medio</u>	!	!	!	!
9. <u>Total Equivalente</u>	!	!	!	!

52. Cómo ha cambiado su forma de compra desde que recibió su primer préstamo de ADEMI (o FIDE)?

1. No ha cambiado
2. Compra en grandes cantidades
3. Compra cuando los precios están más bajo
4. Otros

53. Si sus ganancias han aumentado, cómo ha utilizado usted estas ganancias adicionales de esta actividad? Inversión en su empresa? De qué tipo?

1. Capital de trabajo para negocios actuales
2. Equipo, maquinaria o edificio para negocios actuales
3. Inicio de nuevos negocios
4. Otros

54. Desde que usted está recibiendo el primer préstamo de ADEMI (o FIDE), ha podido mejorar el nivel de vida de su familia?

1. Sí
2. No

60. Algunos de los siguientes beneficios han sido otorgados a los empleados después de tomar el préstamo de ADEMI (o FIDE)?
(Puede escoger hasta 5 respuestas)

1. Seguro Social
2. Bonificaciones
3. Vacaciones
4. Entrenamientos
5. Otros
6. Ninguno

61. Si ha habido algún aumento en el salario de los empleados, en cuáles áreas han podido hacer mayores gastos para su familia?
(Puede escoger hasta cuatro respuestas)

1. Alimentación
2. Vivienda
3. Educación
4. Salud
5. Beneficios
6. Diversión
7. Transporte
8. Otros

Ejemplos:

VII. SUGERENCIAS DEL CLIENTE

62. Cuáles son los principales problemas relacionados al trabajo con los CATS (o ADEMI)?

1. _____
2. _____
3. _____
4. _____

63. Cuáles son los principales problemas relacionados con las instituciones de préstamo?

1. Retraso en la aprobación de préstamo
2. Requisitos de garantía
3. Solicitud de documentación onerosa
4. Términos del préstamo
5. Otros (explicar) _____

64. Cómo considera usted que puedan mejorar los servicios de préstamo de ADEMI (o FIDE)?

1. Ninguna mejoría necesaria
2. Tasa de interés más baja
3. Agilizar el proceso de solicitudes
4. Oficinas más asequibles
5. Otros

65. Le gustaría decirme algo más sobre el programa de ADEMI (o FIDE)?

AL ENTREVISTADOR:

66. Qué confiabilidad considera usted que tiene esta información?

1. Ninguna
2. Alguna
3. Mucha

Observaciones Adicionales:

FIN DEL CUESTIONARIO

35

ANNEX 4

CASE STUDIES

ENTERPRISE SYNOPSIS

Name of Owner:	Eridania Taveras Zambrano
Name of Enterprise:	Erinel Confecciones
Institution:	ADEMI
Province:	Santo Domingo
Year and Amount of First Loan:	1983 \$ 300
Year and Amount of Last Loan:	1987 \$ 9,000
Purpose of Loans:	Equip. Purchases/Working Capital
Total Number of Workers at time of First Loan:	1
Total Number of Workers at Present:	9
Gross Sales at time of First Loan:	200
Gross Sales at Present:	9,000

A Brief History of the Enterprise and Evolution of
the owner's family welfare from the First Loan to the Present

CASE HISTORYImpact on Business

Eridania was sewing as a seamstress in 1980 when she opened her clothing store in the colonial zone. One of her clients was the ADEMI Director's wife. He encouraged Eridania to consider expanding her small business by entering the ADEMI loan program. In 1983 Eridania received her first loan for working capital, \$300 pesos. Her latest loan was for \$9,000 pesos, working capital, to purchase cloth and machines. In 1983 Erinel Confecciones had no employees. The small enterprise currently has 8 full-time employees and one part-time salesperson. Sales figures before receiving the first loan were not available. An estimated sum was \$100 - 200 pesos per month. Current monthly sales are at a minimum average of \$9,000. Eridania has a family savings account and a checking account for her business. She will be soliciting another loan from ADEMI once she finishes paying off her present line of credit. She has excellent credit with ADEMI. She is purchasing space in the Colonial Zone to amplify her business. There has been more demand than supply in the past years for her clothing.

Impact on Entrepreneur

Eridania is married and has 3 children. Her small business is very successful. Her husband takes an active interest and serves as an advisor. He works for the Secretary of Agriculture. Eridania's standard of living and that of her family have improved measurably. During the past 3 years she has bought a new car (trading in a very old one), traveled to Miami to purchase raw materials and has seen one of her children receive his university title. Her other two children are currently attending the university.

ADEMI Loan Program

Eridania is very positive about the ADEMI program and feels she owes a lot of her success to the loan program and from the encouragement of ADEMI's Director, Pedro Jiménez.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Fabio Jourdain</u>
Name of Enterprise:	<u>Refrigeración Jourdain</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1982 \$300</u>
Year and Amount of Last Loan:	<u>1987 \$300</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>4</u>
Total Number of Workers at Present:	<u>5</u>
Gross Sales at time of First Loan:	<u>1,600</u>
Gross Sales at Present:	<u>6,500</u>

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CASE HISTORY

Fabio Jourdain owns a refrigeration repair shop. He earns his living by buying used refrigerators and freezers, repairing them and then re-selling them. Since 1982, Fabio says that his business has increased sevenfold. With his ADEMI loans, he has been able to increase his work output by purchasing new equipment and a truck. With the truck he can now easily go pick up old refrigerators and bring them to his shop and deliver them when he has sold them.

Fabio says that with his profits from his business, he has been able to give his children a better education. His four younger children go to private schools and his oldest son will be going to the Universidad Autonoma de Santo Domingo starting in August. Fabio is proud that his children are receiving a good education.

Working with his oldest son, Fabio plans to make refrigerators out of old parts. He feels that within a year he will be able to re-invest enough of his profits into the equipment needed to start this business. With the cost of new refrigerators going up, Fabio feels that the need for used refrigerators will continue to climb.

Fabio stated that he likes the ADEMI Program, but suggested two changes: That the loan terms be made longer and that a grace period be given at the beginning of the loan. A grace period would allow the borrower to realize a return on his investment of materials before he needs to start paying back his loan.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>José Rafael González</u>
Name of Enterprise:	<u>Centromesa</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1982 \$ 300</u>
Year and Amount of Last Loan:	<u>1987 \$24,000</u>
Purpose of Loans:	<u>Work. Cap./Fixed Assets</u>
Total Number of Workers at time of First Loan:	<u>4</u>
Total Number of Workers at Present:	<u>20</u>
Gross Sales at time of First Loan:	<u>5,000</u>
Gross Sales at Present:	<u>30,000</u>

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CASE HISTORY

José and Gustavo are brothers who manufacture metal furniture. José is the plant manager and Gustavo is the business manager. They had been employed by different companies, José as a manager of a furniture shop, Gustavo as a business administrator. In 1982, they decided to set up their own business by joining their combined experience. They started out with a rented building and 4 employees. Through slow expansion they have purchased their own shop and equipment and hired more employees. They have expanded their line of furniture to four varieties of furniture sets. They now purchase their materials in mass quantity from an importer.

José and Gustavo state that since they have opened their shop they have been able to use some of their profits to improve their family situation. Their children now all go to private school. They now own their own homes as opposed to renting.

José and Gustavo have expanded their number of employees fourfold in 5 years. The employees start out at a 300 pesos monthly salary, 50 pesos over the minimum wage. They also receive a double salary bonus in December.

Impact on Family/Entrepreneur

Luis is suffering from a heart and kidney condition and has been forced to withdraw from his small business. His standard of living has not changed noticeably. They still live in a crowded barrio. There was more money in the house and they were able to purchase more vegetables. Their education has improved on a religious level and they are very active in the Jehovah's Witnesses.

Loan Program

Luis believes that a better method could be worked out to pay back the loans that the small businessmen receive through the ADEMI loan program. He is very complimentary to ADEMI Staff in saying that they are friendly and patient with the beneficiaries.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Luis Alberto Jorge</u>
Name of Enterprise:	<u>Janome Confecciones</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1984 \$ 200</u>
Year and Amount of Last Loan:	<u>1986 \$ 500</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>1</u>
Total Number of Workers at Present:	<u>0 (in 1986, 6)</u>
Gross Sales at time of First Loan:	<u>0</u>
Gross Sales at Present:	<u>0 (in 1986, 2,500 month)</u>

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CASE HISTORY

Impact on Business

Luis entered the ADEMI Program in 1983 after hearing about the loan program through another tailor. At that time Luis was sewing clothes made-to-order with one machine.

An ADEMI advisor came out to visit his business and explained the program. Luis received his first loan in 1984 for RD\$200.00. He has received a total of 7 loans with his last one in November, 1986. Each loan he has received has been for a combination of raw materials and sewing machines. After his fifth loan Luis' health became poor and he was unable to continue with the demands of his flourishing small business. He became late with his payments. ADEMI repossessed one of his sewing machines as payment for the latest peso loan.

He borrowed \$300.00 through a loanshark at 20% monthly interest, payback in 2 months, to cover payments on his ADEMI loans. His health became worse and he was unable to meet either loan. Currently he is \$370. behind in payments. Since becoming ill in 1986 his business has diminished quickly and today he no longer sews.

Luis had no accounting and could not even approximate sales of his products before receiving the first ADEMI loan. He says he had no sales to speak of at the time of receiving the loan. Before he became ill his monthly sales were averaging \$4,000. with a total of 6 employees and 1 part time salesperson.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Tomas Batista Matos</u>
Name of Enterprise:	<u>Mantenimiento Mecánica Ind.</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1986 \$ 1,000</u>
Year and Amount of Last Loan:	<u>1987 \$20,000</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>10</u>
Total Number of Workers at Present:	<u>13</u>
Gross Sales at time of First Loan:	<u>30,000</u>
Gross Sales at Present:	<u>45,000</u>

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CASE HISTORY

Tomás Batista Matos is the owner of "Mantenimiento Mecánica Industrial". He is a college graduate, married and father of four. His business was well on its way before he received his ADEMI loan. Therefore, he can not directly trace the improvement of his lifestyle to ADEMI's help.

Since he has received his loans he has been able to increase sales by RD\$15,000 and hire 3 full-time employees. He has also purchased a generator so he can maintain production during the frequent power outages, and added machinery to cast parts for pumps.

Tomás feels that the ADEMI program is effective at reaching the very small businessmen, but doesn't feel it is really designed for intermediate business. He says since he requires larger loan amounts, he also needs a longer payback period with lower interest rates.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Noelia Altagracia Núñez</u>
Name of Enterprise:	<u>Confecciones Núñez</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1984 \$ 100</u>
Year and Amount of Last Loan:	<u>1987 \$ 1,500</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>1</u>
Total Number of Workers at Present:	<u>2</u>
Gross Sales at time of First Loan:	<u>1,000</u>
Gross Sales at Present:	<u>2,800</u>

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CASE HISTORY

Noelia Altagracia Núñez owns a small sewing shop where she makes and sells children's clothing. As a result of the ADEMI loans she has received, she has been able to increase production enough to hire a part-time employee and rent another sewing machine. She is now selling in bulk to other stores as well as selling per unit in their own shop.

Although costs of materials have gone up disproportionately to sales, Noelia has still increased her profits. As a result she is able to send one child to a private school and buy a few luxuries such as a fan for her family.

Noelia says that she had no other alternative than ADEMI since she had no collateral. She is very grateful for ADEMI's help, but feels the payback periods are too short, and that larger loan amounts should be available to good clients.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>José Miguel Vásquez</u>
Name of Enterprise:	<u>Fiesta Dervi</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1982 \$ 800</u>
Year and Amount of Last Loan:	<u>1987 \$13,000</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>6</u>
Total Number of Workers at Present:	<u>27</u>
Gross Sales at time of First Loan:	<u>10,000</u>
Gross Sales at Present:	<u>50,000</u>

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CASE HISTORY

José Miguel Vásquez is the owner of "Fiesta Dervi" which is a retail outlet for mattresses and furniture. Mr. Vásquez is also the owner of a mattress factory. He supports a family of 7. He owns a house and a car, and he has a son in private school because of the extra income since the ADEMI loans. He also can provide healthier food for his family.

Mr. Vásquez has created this business as an extension of his factory. Since receiving ADEMI loans and opening the retail store, he has increased sales, income, and fixed assets.

He says all his employees are young and use a part of their income for education. Mr. Vásquez has no complaints about the ADEMI loan program.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Freddy de los Santos</u>
Name of Enterprise:	<u>Taller de Ebanistería Alexander</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1984 \$ 300</u>
Year and Amount of Last Loan:	<u>1987 \$ 5,000</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>3</u>
Total Number of Workers at Present:	<u>6</u>
Gross Sales at time of First Loan:	<u>2,400</u>
Gross Sales at Present:	<u>9,400</u>

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CASE HISTORY

Freddy de los Santos owns a furniture factory named "Taller de Ebanistería Alexander". During the 3 years he has been receiving ADEMI loans, his sales have increased by 363%, and he has hired 3 additional part-time employees.

During this time Freddy has opened a retail store as an outlet for his product. He expects income to increase in the future although he loses production time during frequent electricity blackouts.

Freddy has been able to help finance a beauty parlor for his wife, as well as do needed repairs on their house. All of his children are now attending school, one in private school. He has also been able to buy certain luxuries such as a color T.V.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Rafael Valera</u>
Name of Enterprise:	<u>Fonda La Económica</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1983 \$ 50</u>
Year and Amount of Last Loan:	<u>1987 \$800</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>2</u>
Total Number of Workers at Present:	<u>4</u>
Gross Sales at time of First Loan:	<u>200</u>
Gross Sales at Present:	<u>500</u>

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CASE HISTORY

Rafael Valera runs a small restaurant which serves lunch in the business district. He serves rice and beans with chicken and a salad. He has worked at the same business for 22 years here in Santo Domingo since coming here from the country. With his ADEMI loan, he was able to avoid having to go to a loan shark to get a loan. He had done that once and had to pay back the loan at 400% interest. With his small ADEMI loans, he has been able to buy his food and charcoal at lower cost, raising his profits. With his profits he has been able to purchase new pots and pans and a better "Enafi" stove.

Rafael states that his goal is to educate his children. He says he never finished the second grade. His oldest son is starting at the Universidad Autónoma de Santo Domingo in September and his next oldest son is in a private high school. These two oldest sons help work in the restaurant to help pay for school and household needs.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Ramón A. López</u>
Name of Enterprise:	<u>Restaurant Govinoa</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1985 \$ 900</u>
Year and Amount of Last Loan:	<u>1986 \$ 2,000</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>2</u>
Total Number of Workers at Present:	<u>5</u>
Gross Sales at time of First Loan:	<u>4,000</u>
Gross Sales at Present:	<u>5,300</u>

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CASE HISTORY

Ramón López runs a vegetarian restaurant. The proceeds go towards supporting the 22 members of the household which live communal style in the building they have rented. Since taking out his ADEMI loans, Ramón has been able to expand his restaurant by getting a refrigerator so he can offer different types of food on his menu. He has also been able to train three new workers on vegetarian cooking.

Ramón stated that he does not use his money to improve the material wealth of the people dependent upon him as their basic needs are met. He does send the children to a private school now. He uses some of his money to help another group open a similar restaurant in Boca de Licey.

The three part-time workers live in the building and receive a 50 peso monthly living allowance and their meals, the same as the other two full-time working members of the household.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Sergio Mota Alarcón</u>
Name of Enterprise:	<u>Radiadores y Servicios Mota</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1983 \$ 300</u>
Year and Amount of Last Loan:	<u>1987 \$15,000</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>5</u>
Total Number of Workers at Present:	<u>8</u>
Gross Sales at time of First Loan:	<u>1,400</u>
Gross Sales at Present:	<u>9,000</u>

A Brief History of the Enterprise and Evolution of the owner's family welfare from the First Loan to the Present

CASE HISTORY

Sergio Mota Alarcón is the owner of a radiator/mechanic shop. He has been receiving help from ADEMI since 1983. He now owns his own home as well as two others which he rents out. The business has grown such that he can now afford items that he would have considered luxuries before (e.g. refrigerator, fan, etc.). He also has purchased a larger stationwagon which he uses for the business as well as family transportation.

The business started as a radiator repair shop and as a result of the ADEMI loans, he was able to expand into other auto repair services. His sales have increased as well as his income, therefore he has been able to employ 3 additional full-time employees.

He likes ADEMI's program and suggests that the payback period should be lengthened so he can stay with the program.

ENTERPRISE SYNOPSIS

Name of Owner:	Diego de la Cruz
Name of Enterprise:	Electro Refrigeración el Confort
Institution:	ADEMI
Province:	Santo Domingo
Year and Amount of First Loan:	1983 \$ 100
Year and Amount of Last Loan:	1987 \$ 7,000
Purpose of Loans:	Working Capital
Total Number of Workers at time of First Loan:	5
Total Number of Workers at Present:	9
Gross Sales at time of First Loan:	1,500 monthly
Gross Sales at Present:	6,000 monthly

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CASE HISTORY

Diego de la Cruz is the owner of "Electro Refrigeración el confort" in Santo Domingo. He has completed 8 years of formal education and is the sole support for his wife and two children. As a result of the success his business has experienced since 1983 (when his first ADEMI loan was approved) he has been able to build an addition to his house, buy a car, and provide his family with a more balanced diet. His major accomplishment has been to send one of his daughters to medical school.

The business was started 15 years ago and has experienced most of its growth within the last seven years. In this time he has added another workshop and is repairing tricycles for use by street vendors. His sales have increased 400% allowing him to hire 4 new employees, buy better transportation, and more equipment. He expects the business to continue growing and wants to buy additional machinery. His only serious concern is the effect of the devaluation of the peso on purchases of raw materials since they are imported.

Most of his employees are young and spend their income for education, extra family income and entertainment. One employee is married and is now able to buy enough food every day for his family without having to neglect other needs such as medicine, etc.

Mr. Cruz is satisfied with ADEMI, but would like to have longer payback periods. He would also like ADEMI to install an accounting department to supervise the accounting systems of their clients.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>María D. Comas de Orasco</u>
Name of Enterprise:	<u>Creaciones María Dolores</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1983 \$ 200</u>
Year and Amount of Last Loan:	<u>1987 \$ 3,000</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>2</u>
Total Number of Workers at Present:	<u>7</u>
Gross Sales at time of First Loan:	<u>9,000 monthly</u>
Gross Sales at Present:	<u>15,662 monthly</u>

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CASE HISTORY

María Dolores Comas de Orosco is the owner of "Creaciones María Dolores". She designs women's clothes which are made in her small workshop. Since her first ADEMI loan in 1983, she and her husband have moved from an older wooden house to a sturdier one made from block. They now own their house. They have also been able to buy a car and put their children through college.

María began by giving sewing classes, and with her ADEMI loans has been able to set up a sewing workshop with 7 employees. She is still giving classes, but her income is mainly generated from sales of her designs. With future income, she plans to enlarge the workshop so her employees won't have to work in such close quarters.

Four out of seven of her employees are women who are providing or supplementing family income.

María's only complaint about the ADEMI program is the short payback period.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Pablo Pérez Sena</u>
Name of Enterprise:	<u>Confecciones Pérez Sena</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1986 \$ 800</u>
Year and Amount of Last Loan:	<u>1987 \$ 800</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>8</u>
Total Number of Workers at Present:	<u>10</u>
Gross Sales at time of First Loan:	<u>1,800 monthly</u>
Gross Sales at Present:	<u>3,000 monthly</u>

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CASE HISTORY

Pablo Pérez Sena is a tailor who owns his own shop, and has been receiving loans from ADEMI for two years. With this money he has been able to increase production and hire two full-time employees.

Since the time of his first loan, his sales and income have increased by 67%. He expects continued growth in sales, although costs are expected to rise due to higher prices for raw materials.

Since Pablo has received help from ADEMI, and was able to increase his income, he has been able to enter the university and begin constructing a cement block house.

The only changes he suggests for ADEMI is that they loan larger amounts of money with longer payback periods.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Miguel Angel Ort~ñez</u>
Name of Enterprise:	<u>Taller San Miguel</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1986 \$ 1,000</u>
Year and Amount of Last Loan:	<u>1987 \$ 4,000</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>3</u>
Total Number of Workers at Present:	<u>7</u>
Gross Sales at time of First Loan:	<u>3,000 monthly</u>
Gross Sales at Present:	<u>10,000 monthly</u>

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CASE HISTORY

Miguel Angel Ort~ñez owns a metal shop named "Taller San Miguel". Since his first ADEMI loan in 1986, his sales have increased by 233%, and income by 367%. He expects continued growth and plans to buy new machinery.

Due to his increased income, he has been able to buy 3 new machines and is in the process of buying land to start a secondary business. During this year he has employed four new full-time people and helped send two of their children to a private school.

The one improvement Miguel would like to see in the ADEMI program is a lengthening of the payback period.

ENTERPRISE SYNOPSIS

Name of Owner:	Juana Medina de Díaz
Name of Enterprise:	Cerámica Yesenia
Institution:	ADEMI
Province:	Santo Domingo
Year and Amount of First Loan:	1985 \$ 500
Year and Amount of Last Loan:	1987 \$ 3,000
Purpose of Loans:	Working Capital
Total Number of Workers at time of First Loan:	2
Total Number of Workers at Present:	4
Gross Sales at time of First Loan:	3,000 monthly
Gross Sales at Present:	1,500 monthly

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CASE HISTORY

Juana Medina is the owner of a business that manufactures and sells ceramic products. The workshop and retail outlet are in the same building. She also has regular wholesale customers.

Juana's husband is a vegetable wholesaler and has a larger income, so Juana sees her business as an extra source of income. She is contributing to the purchase of their house and to her daughter's university education.

Within two years the profits of her business have increased by 100%, and are expected to keep growing. Juana plans to buy another oven and put money in the family savings account as the business grows.

The one improvement Juana would like to see in the ADEMI program is longer payback periods.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>José Manuel Guerrero</u>
Name of Enterprise:	<u>Ebanistería Guerrero</u>
Institution:	<u>ADEMI</u>
Province:	<u>Baní</u>
Year and Amount of First Loan:	<u>1985 \$ 300</u>
Year and Amount of Last Loan:	<u>1987 \$ 800</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>1</u>
Total Number of Workers at Present:	<u>1</u>
Gross Sales at time of First Loan:	<u>500 monthly</u>
Gross Sales at Present:	<u>1,000 monthly</u>

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CASE HISTORY

José Manuel Guerrero makes rocking chairs and bookshelves. This is only a part of his income. The other part comes from the honey production of the two hundred hives he keeps. José states that his business has not done very well in the two years he has worked with ADEMI. He has been able to support himself and his income has kept up with inflation. He blames the state of economy and the increased cost of imported wood for the lack of business in his field.

Since receiving his ADEMI loan, José has built his own house. The money for this has come in part from his furniture business and in part from selling honey.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Rafael Emilio Matos</u>
Name of Enterprise:	<u>"Los Muchos Emilio"</u>
Institution:	<u>ADEMI</u>
Province:	<u>Azua</u>
Year and Amount of First Loan:	<u>1985 \$ 300</u>
Year and Amount of Last Loan:	<u>1987 \$ 500</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>2</u>
Total Number of Workers at Present:	<u>6</u>
Gross Sales at time of First Loan:	<u>500 monthly</u>
Gross Sales at Present:	<u>2,000 monthly</u>

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CASE HISTORY

Rafael Emilio Matos runs a re-upholstery shop. Most of his business involves re-upholstering chair and auto seats. Since getting his first ADEMI loan, Rafael has been able to expand his business by taking larger orders. He uses his loans to buy materials which he needs. Because of his larger orders, he has been able to make larger profits. With this money he has bought a second sewing machine which in turn allows him to do more work than previously. Rafael has also had to hire one full-time and three part-time workers to complete his larger orders.

Rafael lives with his wife and their two children. He says that they live the same as they always have with the exception that they eat better. Rafael stated that he needs to keep putting his profits back into his business. Rafael stated that he feels he will be able to continue expanding his business. He is training his employees and believes that with more business he will be able to employ them full-time and pay them better.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Hipólita de los Santos</u>
Name of Enterprise:	<u>Comedor Mercedes</u>
Institution:	<u>ADEMI</u>
Province:	<u>Azua</u>
Year and Amount of First Loan:	<u>1986 \$ 300</u>
Year and Amount of Last Loan:	<u>1987 \$ 3,500</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>5</u>
Total Number of Workers at Present:	<u>7</u>
Gross Sales at time of First Loan:	<u>1,750 monthly</u>
Gross Sales at Present:	<u>3,000 monthly</u>

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CASE HISTORY

Hipólita de los Santos runs a diner, serving lunch to an average 16 customers per day. She spends her mornings purchasing goods, mainly rice and beans, and with her employees, cooks up the noon-time meal.

Most of her customers are regulars and the atmosphere very casual. Since receiving her ADEMI loans, Hipólita has been able to invest some of her profits into a refrigerator to store meats. With more meats to offer her customers, she can charge more for her meals.

Hipólita stated that she has been able to improve the lives of her children by sending them to private schools. She also has 1,500 pesos in savings for emergencies.

Hipólita has been able to hire two more girls to work. The workers do not receive many benefits, but do receive their lunch, the main daily meal, as well as their monthly salary.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Ramón Alexis Pie</u>
Name of Enterprise:	<u>Sastrería Audianelly</u>
Institution:	<u>ADEMI</u>
Province:	<u>La Romana</u>
Year and Amount of First Loan:	<u>1986 \$ 400</u>
Year and Amount of Last Loan:	<u>1987 \$ 1,500</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>2</u>
Total Number of Workers at Present:	<u>5</u>
Gross Sales at time of First Loan:	<u>1,000 monthly</u>
Gross Sales at Present:	<u>2,000 monthly</u>

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CASE HISTORYImpact on Business

Ramón worked as a sewing machine operator in the La Romana Free Zone. In 1985 he resigned and set up his own business. He started out with one machine and some cloth donated from friends. During the patron saint holidays in August of 1985, he received a lot of orders that have helped since to establish his business. He now works on contract orders only for Casa de Campo, La Romana Corp. and a number of clients. In 1986, he found out about the ADEMI program and took out his first loan for raw materials. With his earnings he has been buying equipment and some purchases for the family. He is on his third line of credit now with ADEMI. Before receiving his first loan, monthly sales averaged \$1,000. Current monthly sales average \$2,000 with a high season (tourism) and a low season. As before, Ramón intends to re-invest the majority of his earnings into his business.

Impact on Entrepreneur/Family

Ramón has re-invested the majority of his profits back into his business but his personal life has benefitted from his earnings. One of his 3 children is in a private school now. They have purchased a BÚW T.V. set and a radio in the past year. His prized possession is a 1985 Honda 125 motorcycle which he uses for the business as well as for personal use. It is the first vehicle ever owned in his family. Their health has improved and they don't feel any pressure about obtaining food.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Aaron Jabier</u>
Name of Enterprise:	<u>Zapatería Aaron</u>
Institution:	<u>ADEMI</u>
Province:	<u>San Pedro de Macorís</u>
Year and Amount of First Loan:	<u>1986 \$ 250</u>
Year and Amount of Last Loan:	<u>1987 \$ 600</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>1</u>
Total Number of Workers at Present:	<u>1</u>
Gross Sales at time of First Loan:	<u>280 monthly</u>
Gross Sales at Present:	<u>400 monthly</u>

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CASE HISTORYImpact on Business

Aaron learned how to repair shoes in 1982 as an apprentice. In 1983 he opened his own Shoe Repair business.

In 1986 he received his first loan of \$250. from ADEMI. He has received a total of 3 loans. His most recent was for \$600.00. He plans to receive another loan in October for \$800, again for working capital. With the exception of being a few days late he has repaid all his loans and on time. His current monthly income is \$400. One year ago he estimated his income at around \$250-\$260 pesos/monthly. He works by himself. In the next two years he plans to move his business away from the house to another local and hire 1-2 employees at part-time. Since receiving the loans through the ADEMI program, Aaron has become more aware of business accounting but has no means to determine exactly the value of his business.

Impact on Entrepreneur/Family

Aaron is not married and lives with his family. He is 22 years old. Since receiving the loans, he says he has more money now to spend on personal items. He is able to pay back his loans on time, contribute to the family budget and buy personal items: gold (chains, rings), Radio-Cassette Player, T.V. He keeps an amount of at least \$200 in his savings account for personal/business expenses that he doesn't touch.

ADEMI Loan Program

As with other beneficiaries Ramón has a problem with the payback requirements of the ADEMI loan program. He feels that ADEMI does not allow enough time for the small businessman to repay the loan. Other than this, he's very grateful that an institution like ADEMI exists to provide the financial support so that small businesses can prosper.

ADEMI Program

Aaron is very pleased with the loan program and has no complaints. He felt bad last year when he was 7 days late in making a payment on his 2nd. loan. He finishes paying off his 3rd. loan in October and plans to ask for another line of credit for \$800 pesos, working capital.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>José A. Ramón</u>
Name of Enterprise:	<u>Franjos</u>
Institution:	<u>ADEMI</u>
Province:	<u>La Romana</u>
Year and Amount of First Loan:	<u>1986 \$ 600</u>
Year and Amount of Last Loan:	<u>1987 \$ 1,500</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>3</u>
Total Number of Workers at Present:	<u>4</u>
Gross Sales at time of First Loan:	<u>3,000 monthly</u>
Gross Sales at Present:	<u>5,000 monthly</u>

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CASE HISTORY

José A. Ramón is the owner of a sewing shop which produces ladies' undergarments. Since his first loan, sales have increased by 67%. Recently, however, the cost of raw materials has increased because they are imported. His production has also come to a near standstill because there is electricity only a few hours a day and his generator has broken.

He hopes to increase production in August 1987 by purchasing a generator with the help of ADEMI. He is also investigating the possibility of exporting his product. His market now is La Romana and Santo Domingo.

With the profits from the last year, he has been able to buy some new furniture and send his son to high school. He is very positive about the ADEMI program in La Romana, and says the assessors are always very helpful.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Nelson Ramirez</u>
Name of Enterprise:	<u>Confecciones Tu Amigo</u>
Institution:	<u>ADEMI</u>
Province:	<u>La Romana</u>
Year and Amount of First Loan:	<u>1986 \$ 400</u>
Year and Amount of Last Loan:	<u>1987 \$ 1,500</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>1</u>
Total Number of Workers at Present:	<u>3</u>
Gross Sales at time of First Loan:	<u>480 monthly</u>
Gross Sales at Present:	<u>1,200 monthly</u>

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CASE HISTORY

Nelson Leonardo Ramirez owns a clothes making shop. Before receiving his ADEMI loan he used to take orders and make the clothing on his sewing machine. The customer was expected to buy the material needed for the order.

Upon receiving his ADEMI loan, he was able to buy a quantity of materials at a low price and increase his profits. With his second loan he bought another machine and hired a worker increasing his profits which he re-invested in more material and another machine. He now has 3 employees, 3 machines and an inventory of cloth worth over 1,000 pesos.

Nelson wants to continue to re-invest his profits into machines and materials and expand his shop. He is concerned about having to pay back his loan so quickly because it discourages long-term investment in equipment. He also loses a great deal of work due to blackouts.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>José Miguel Monegro</u>
Name of Enterprise:	<u>Centro Costura Jhonatan</u>
Institution:	<u>ADEMI</u>
Province:	<u>La Romana</u>
Year and Amount of First Loan:	<u>1986 \$ 1,000</u>
Year and Amount of Last Loan:	<u>1987 \$ 4,000</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>5</u>
Total Number of Workers at Present:	<u>7</u>
Gross Sales at time of First Loan:	<u>8,000 monthly</u>
Gross Sales at Present:	<u>12,000 monthly</u>

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ISTORY

José Miguel Monegro owns a sewing shop that is connected to his house. He is 32 years old, and uses his income to support his wife and 2 children. As a result of the ADEMI loans he has received, his income has increased by 33%. This extra income has allowed him to move to a nicer house and buy some extra pieces of furniture and a fan. He also is saving money for his family's future.

He started the business making shirts and now has expanded his products to include trousers. He also sells in bulk and has regular customers in Hato Mayor, a nearby town.

He thinks ADEMI could improve their program by increasing the payback period, and by being more lenient with late payment charges.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Ramón Mejía</u>
Name of Enterprise:	<u>Zapatería Altagracia</u>
Institution:	<u>ADEMI</u>
Province:	<u>San Pedro de Macorís</u>
Year and Amount of First Loan:	<u>1986 \$ 500</u>
Year and Amount of Last Loan:	<u>1987 \$ 1,100</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>4</u>
Total Number of Workers at Present:	<u>4</u>
Gross Sales at time of First Loan:	<u>200 monthly</u>
Gross Sales at Present:	<u>1,000 monthly</u>

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CASE HISTORY

Ramón Mejía learned to make shoes as a young boy, but spent most of his life as a farmer. At 73 he has resumed his business with plans to use future profits to increase the business and expand his farm. He has taught his son the craft, and his son has opened his own shop.

During the last 3 years, he has not increased the number of employees, but has increased the amount of salaries.

Ramón's plans for the future are to increase sales through better marketing methods. He wants to have them peddled by a "triciclero" in the busier part of the city.

He thinks ADEMI could improve its program by giving larger loans with longer payback periods.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Pedro Castro</u>
Name of Enterprise:	<u>Talabartería "El Sol"</u>
Institution:	<u>ADEMI</u>
Province:	<u>San Pedro de Macorís</u>
Year and Amount of First Loan:	<u>1986 \$ 600</u>
Year and Amount of Last Loan:	<u>1987 \$ 1,000</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>2</u>
Total Number of Workers at Present:	<u>3</u>
Gross Sales at time of First Loan:	<u>2,000 monthly</u>
Gross Sales at Present:	<u>5,000 monthly</u>

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CASE HISTORY

Pedro Castro runs a saddlery shop and also makes shoe forms for cobblers. Since entering the ADEMI program he has been able to purchase a new sewing machine to do his leatherwork. He also uses his loans to purchase high quality leathers in order to make an occasional all leather saddle with leather stirrups which sells for a great deal of money. Pedro is also a bit of a tinker and occasionally repairs pots and pans.

Since getting his ADEMI loan, Pedro has somewhat greatly changed his life. He has built cement block walls on his house to replace the wooden ones he had. He is very proud of this. He says he can make a living buying materials and selling his wares. He said "I am an old man now. I hope for my children, that they can go to the University and get a good education".

Pedro is grateful to the ADEMI program. Without his new sewing machine his business would have fallen off and he would not have been able to support his family. He would have been forced to turn to a loan shark for money and that would have involved paying back at least two times what he had borrowed.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>José Domínguez</u>
Name of Enterprise:	<u>Confecciones Domínguez</u>
Institution:	<u>ADEMI</u>
Province:	<u>San Pedro de Macorís</u>
Year and Amount of First Loan:	<u>1986 \$ 400</u>
Year and Amount of Last Loan:	<u>1987 \$ 400</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>N/A</u>
Total Number of Workers at Present:	<u>N/A</u>
Gross Sales at time of First Loan:	<u>N/A</u>
Gross Sales at Present:	<u>180 monthly</u>

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CASE HISTORY

José Domínguez is a 28 year old university student who has set up a sewing cooperative with an ADEMI loan. He already had a building rented and was able to buy materials and rent equipment with the loan money.

Since the business is just beginning, he can not see an immediate change in his lifestyle, but expects future growth.

At this point, he doesn't have an accounting system. He also considers the other workers in his shop as associates instead of employees. Therefore, he does not pay salaries, nor document their earnings.

He appreciates the sense of responsibility he has acquired through the ADEMI loan. José suggests that ADEMI create more open payback terms. His income fluctuates, so he would like to pay in proportion to his monthly income, as well as have a longer payback period.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>José Santana</u>
Name of Enterprise:	<u>Ebanistería Taller Oscar</u>
Institution:	<u>ADEMI</u>
Province:	<u>San Pedro de Macorís</u>
Year and Amount of First Loan:	<u>1986 \$ 500</u>
Year and Amount of Last Loan:	<u>1987 \$ 2,000</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>2</u>
Total Number of Workers at Present:	<u>14</u>
Gross Sales at time of First Loan:	<u>700</u>
Gross Sales at Present:	<u>8,000</u>

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CASE HISTORY

José Santana owns a small furniture making shop. He specializes in chairs and tables. Before receiving his first ADEMI loan, he and his brother-in-law worked with one electric saw and worked on a piece-work basis as they received orders. The customers had to buy the materials. With his ADEMI loans, José has been able to go buy his materials in greater quantity at a lower cost. This way he has been able to increase his profits and with these profits has bought two more electric saws and a lathe. He has been able to hire 12 more workers.

José's workers work full-time, however, they are paid by the amount of work they do. With the amount of down time due to blackouts, his shop works at less than 1/2 capacity and his employees do not earn what they could and José does not have enough time to take all of the orders he gets.

José hopes that the problem with electricity is solved so he will be able to work at greater capacity and re-invest his money into a better workshop.

José stated that his family life has not changed a great deal. He has purchased a motorcycle so he now has transportation.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Elroy Pérez Cruz</u>
Name of Enterprise:	<u>Herrería Lerner</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1982 \$ 200</u>
Year and Amount of Last Loan:	<u>1987 \$ 4,000</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>5</u>
Total Number of Workers at Present:	<u>4</u>
Gross Sales at time of First Loan:	<u>3,000</u>
Gross Sales at Present:	<u>2,500</u>

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CASE HISTORY

Elroy Pérez Cruz runs a metal welding shop. He has been working with ADEMI for 5 years. During this period of time, the costs of his materials have risen, his equipment has aged, and he is no longer able to produce as much as he was before. He has had to let one employee go due to lack of work.

Elroy stated that he feels he will not be able to improve his situation as long as the economic situation of the country remains as it is. He cannot afford to buy materials. He says that his wife now provides more income for his family than he does, and that without her work, he does not think the family could make it.

He has raised salaries, but just in an attempt to keep up with inflation. He feels that he will have to let more workers go as he has less and less work to do.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Salvador Enrique Beltré</u>
Name of Enterprise:	<u>Soldadura Beltré</u>
Institution:	<u>ADEMI</u>
Province:	<u>Azua</u>
Year and Amount of First Loan:	<u>1986 \$ 300</u>
Year and Amount of Last Loan:	<u>1987 \$ 2,200</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>N/A</u>
Total Number of Workers at Present:	<u>7</u>
Gross Sales at time of First Loan:	<u>1,000</u>
Gross Sales at Present:	<u>3,000</u>

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CASE HISTORY

Salvador Enrique Beltré runs a welding shop. He fixed all types of materials and also buys used, broken items and fixes them to sell. He has greatly increased his business since joining ADEMI. He has bought a new welder and a motor to run a metal grinder. He has hired three new young men to help him with his work. He has also been able to buy more materials to work with.

Salvador says that he puts most of his money back into his business buying materials. He has, however, used a part of his profits to buy the house he lives in. He hopes that his profits will continue to grow so that he can build a better house for his family.

Salvador hires young men to work in his shop. Most of them work only one or two days per week. They are able to help their families with the money that they make as most of them come from lower-class families.

Salvador likes the ADEMI program. He says that it gave him a chance to grow. He says that he would like to receive some technical assistance in how to run a small business as he does not have a great deal of education and needs some help with accounting.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Hilario Cabrera</u>
Name of Enterprise:	<u>Ebanistería Hilario</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1984 \$ 200</u>
Year and Amount of Last Loan:	<u>1987 \$ 7,000</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>3</u>
Total Number of Workers at Present:	<u>9</u>
Gross Sales at time of First Loan:	<u>270</u>
Gross Sales at Present:	<u>2,900</u>

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CASE HISTORY

Hilario Cabrera makes rocking chairs. He and his two sons used to work out of their house buying materials and selling their chairs. When he entered the ADEMI program, Hilario was able to open a real shop. He built a cement block building to house his equipment and materials, hired 6 new workers and purchased electric saws, sanders and a lathe. He now produces over 10 times what he used to.

Hilario says his family life has improved tremendously. He and his wife tore down their old wooden house and built a cement block house. They now have electrical appliances including a refrigerator. Hilario believes that his business will continue to do well and looks forward to be able to buy a new car.

Hilario feels that ADEMI has changed his life in every way. He now owns a real business and does not have to worry about where the next meal for his family will come from.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>José de Jesús Detomes C.</u>
Name of Enterprise:	<u>ADEMI</u>
Institution:	<u>Santo Domingo</u>
Province:	
Year and Amount of First Loan:	<u>1983 \$ 200</u>
Year and Amount of Last Loan:	<u>1986 \$ 8,000</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>3</u>
Total Number of Workers at Present:	<u>9</u>
Gross Sales at time of First Loan:	<u>8,000</u>
Gross Sales at Present:	<u>18,000</u>

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CASE HISTORY

José runs a furniture making business. He makes rocking chairs, china cabinets and bookshelves. Before joining ADEMI, he worked only with his two brothers. They did a good business but lost some sales because they did not have enough money to buy materials. Since joining ADEMI, they have hired 6 young workers to help them. With the loans they have purchased materials and their sales have increased.

José stated that he lives the same way he always has. He feels that the ADEMI loans have helped his home life by making him more financially secure.

José feels that he needs to expand his business. It is difficult right now due to the high cost of materials and the problems caused by frequent blackouts. He feels that ADEMI is a good program, but feels that if he were given a grace period to pay back his loan, he would be able to invest in better materials and get a larger profit.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>José Disna Peña</u>
Name of Enterprise:	<u>Herrería Taller Disna</u>
Institution:	<u>ADEMI</u>
Province:	<u>Baní</u>
Year and Amount of First Loan:	<u>1985 \$ 300</u>
Year and Amount of Last Loan:	<u>1987 \$ 800</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>1</u>
Total Number of Workers at Present:	<u>2</u>
Gross Sales at time of First Loan:	<u>1,500</u>
Gross Sales at Present:	<u>1,800</u>

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CASE HISTORY

José Disna Peña runs a small metal shop. He works by himself, occasionally using one neighbor boy to do welding work. He got a loan from ADEMI because he didn't have enough capital to buy materials. Since receiving his loan his lifestyle has not changed. His income has increased to keep up with inflation but not enough to improve his situation. He feels that due to the economic problems, now is not the time to expand his business. He hopes to keep working and later on, when things improve, he will be able to expand.

José says that he hopes to be able to buy a house in the near future. He is looking at some land to buy.

He feels that ADEMI is a good program. They gave him a loan when no one else would. He is happy for his daughter who recently joined the program and has started selling ceramics.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Arsenio Vargas Balbuena</u>
Name of Enterprise:	<u>Joyería "La Fe"</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1985 \$ 800</u>
Year and Amount of Last Loan:	<u>1987 \$ 1,500</u>
Purpose of Loans:	<u>Working Capital/F.A.</u>
Total Number of Workers at time of First Loan:	<u>3</u>
Total Number of Workers at Present:	<u>8</u>
Gross Sales at time of First Loan:	<u>4,000</u>
Gross Sales at Present:	<u>8,000</u>

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CASE HISTORY

Arsenio Vargas Balbuena runs a jewelry store. He sells gold and silver jewelry out of a rented building and also has a small repair shop in the back. Before receiving his ADEMI loan he had 3 employees. With the ADEMI loan he has been able to add two new employees who work in watch and jewelry repair. They also clean and buff silver, copper, brass, etc.

Arsenio says that he has not greatly changed his lifestyle since receiving his ADEMI loan, though he has bought a motorcycle for transportation. He lives with his two young children and says their needs are not great.

He feels that he has been able to help two young men whom he has hired and trained in watch repair and cleaning. They were unemployed previously.

Arsenio feels that ADEMI is a good program, but that it does not provide large enough loans over a long term. He often invests in gold jewelry and needs to wait for the market to change to realize a good profit. He also expressed interest in finding a line of credit with a private.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Eddy David Pérez</u>
Name of Enterprise:	<u>Confecciones Eddy</u>
Institution:	<u>ADEMI</u>
Province:	<u>San Pedro de Macorís</u>
Year and Amount of First Loan:	<u>1986 \$ 400</u>
Year and Amount of Last Loan:	<u>1987 \$ 800</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>1</u>
Total Number of Workers at Present:	<u>3.5</u>
Gross Sales at time of First Loan:	<u>600</u>
Gross Sales at Present:	<u>1,600</u>

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CASE HISTORYImpact on Business

Eddy used to sew in the free zone in San Pedro de Macorís. He learned his craft at the age of 15. He is now 25 years old. He opened his workshop in 1984 and received his first loan through the ADEMI program in 1986 for 400 pesos. At the time he had 900 in fixed assets. Currently he has 3,000. in fixed assets. Monthly average sales have more than doubled, from 600 to 1,600 currently. He has hired 3 full-time employees since receiving the loan. He is very optimistic about the future and plans to increase his business within the next 2 years. Eddy hires high-school students who work during the day and attend classes at night.

Impact on Entrepreneur/Family

Eddy has bought a house, a refrigerator and a T.V. set. He has been able to purchase furniture for his business. All of this has occurred since receiving his first loan last year.

ADEMI Loan Program

He is very pleased with ADEMI's program. He has taken business courses through the program and has learned how to manage his business.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Hilda Rodríguez</u>
Name of Enterprise:	<u>Cerámica Hilda</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1984 \$ 200</u>
Year and Amount of Last Loan:	<u>1987 \$10,000</u>
Purpose of Loans:	<u>Working Capital/Equipment</u>
Total Number of Workers at time of First Loan:	<u>3</u>
Total Number of Workers at Present:	<u>10</u>
Gross Sales at time of First Loan:	<u>200 monthly</u>
Gross Sales at Present:	<u>6,000 monthly</u>

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CASE HISTORY

Impact on Business

Hilda's sister took a course in Ceramics through a government institution in 1982. In 1983, Hilda was able to purchase a small oven on credit. That's when Hilda's Ceramics began operating. Monthly average sales before receiving her first ADEMI loan were at 200 pesos. Current average monthly sales are at \$6,000. Hilda has received 12 loans through the program and has an excellent credit rating with ADEMI. Hilda has recently been late in paying back her loan due to a car accident in which her husband was injured. He now suffers from a tumor. She intends to have her most recent line of credit paid back by this fall in order to ask for a new line of credit in 1988. Hilda sells her products exclusively to a store on El Conde (The Shopping area in the Colonial Historical Ruins). Hilda's number of employees has tripled since receiving the first loan. Before the loan (B.L.) she had \$800 in fixed assets. Current market value is at \$35,000. Before her husband's tragic accident Hilda was re-investing about 80% of her earnings back into the business. She has already expanded twice and is trying to rent the house next to her to expand her business.

Impact on Entrepreneur/Family

Hilda owns her house now due to the earnings of her business. She financed it through the ADEMI program. She lives in the northern part of the capital which is considerably less prosperous than other areas/sectors of the city. With her earnings they have bought a used Subaru, furniture, 1 television set and they eat meat at least once a day. Money is on hand for emergencies and this is a great relief to Hilda.

ADEMI Program

She, like others, wishes that ADEMI would increase the length of time that they allow the beneficiaries to repay the loan. Also, she would like ADEMI to assist the beneficiaries in opening new markets for their products. Overall, she's very happy and will continue in the ADEMI program.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Nelson M. Espinal</u>
Name of Enterprise:	<u>Collarte Dominicano</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1985 \$ 300</u>
Year and Amount of Last Loan:	<u>1987 \$ 3,000</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>1</u>
Total Number of Workers at Present:	<u>6</u>
Gross Sales at time of First Loan:	<u>5,000 annual</u>
Gross Sales at Present:	<u>24,000 annual</u>

A Brief History of the Enterprise and Evolution of
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CASE HISTORY

Nelson Espinal began making jewelry in his home in 1985. He has recently received his fourth loan from ADEMI which was RD\$3,000. His first loan with ADEMI was in 1985 for RD\$300. Nelson has used his ADEMI loan money mostly for working capital although he has purchased equipment for the business.

The number of employees has increased from 1 to 6 since his first ADEMI loan in 1985. The gross annual sales have increased from RD\$5,000 in 1985 to RD\$24,000 projected for 1987.

Nelson has been very pleased with the ADEMI program and hopes to continue working with them in the future. The loans from ADEMI which have helped his business grow have given him hope for the future.

Many of the people in Nelson's community are very poor but he is very motivated and dedicated to improving his business which of course would be beneficial to his family. Nelson has been able to purchase a new motorcycle for his family from earnings of his business.

The jewelry Nelson produces is of good quality and the business should continue to grow in the future.

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ENTERPRISE SYNOPSIS

Name of Owner:	<u>Rafael Marte</u>
Name of Enterprise:	<u>Confecciones Sunshine</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1984 \$ 100</u>
Year and Amount of Last Loan:	<u>1987 \$ 2,200</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>1</u>
Total Number of Workers at Present:	<u>7</u>
Gross Sales at time of First Loan:	<u>500</u>
Gross Sales at Present:	<u>6,000</u>

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CASE HISTORY

Impact on Business

Rafael opened his business in 1982 with very little capital. He owned one sewing machine at the time and worked on a piece-work basis. Rafael received his first ADEMI loan in 1984 for \$100. Since then he has received 13 loans, his latest for 2,200. Upon receiving his first loan, Rafael was the only employee. Seven people are now employed. The loans have been used to purchase raw materials. He re-invests the majority of his earnings back into equipment and working capital. He is very ambitious and has dreams that his business will continue to grow. At the time he received his first loan fixed assets were around 100, currently he has more than 9,000 in assets. Average monthly sales are at 6,000, in 1984 they were at 500.

Impact on Entrepreneur/Family

Since receiving his first ADEMI loan he has purchased a van that has become an income-generating source. There is better food and more quantity now in his home. He took his kids out of the public school and placed them in private schools. With future earnings and the growth of the company he would like to purchase his home.

ADEMI Program

Rafael is very pleased with the program but would like his loan size to be increased substantially. He believes ADEMI is the only program that actually helps out small businessmen without having something to put up as a guarantee (i.e. house, car, etc.).

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Sonia de Cepeda</u>
Name of Enterprise:	<u>Larimí Muebles</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1985 \$ 1,000</u>
Year and Amount of Last Loan:	<u>1987 \$ 1,000</u>
Purpose of Loans:	<u>Work. Cap./Repairs Ovens</u>
Total Number of Workers at time of First Loan:	<u>4</u>
Total Number of Workers at Present:	<u>6</u>
Gross Sales at time of First Loan:	<u>1,200</u>
Gross Sales at Present:	<u>750</u>

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CASE HISTORYImpact on Business

Sonia entered the ADEMI loan program in 1985 after hearing about the program through a friend. An assessor came out to her business for a visit and explained the loan program in detail. The amount of the first loan was for RD\$1,000 which she used to purchase and repair used ovens that she had bought through friends. Monthly sales at this time were averaging RD\$1,200 per month. The majority of products that Sonia sells are her ceramics. She also sells other tourist items that are standard items in the gift shop trade: paintings, jewelry, leather products, dolls and wood products. Currently monthly sales are between 700-800 pesos. Sonia keeps a box full of bills and receipts but has no other form of accounting.

She records her sales on a sheet of paper. The demand for her products is low right now. She has no form of marketing besides opening the store at 9 a.m. daily. The shop is located on a side street, away from the ruins and tourist sites.

Impact on Family

Using her business and her husband's business (furniture maker) they have received a loan from a private bank and are buying their house. They also own land in Hato Mayor and are building houses out there to rent.

Loan Program and Business

Sonia's only problem with the ADEMI loan program is that their payback period is too rigid. Sonia's sales are very slow right now and she hopes they will increase in the future in order that she may expand her business.

ENTERPRISE SYNOPSIS

Name of Owner:	Leonel Peña Santana
Name of Enterprise:	Ebanistería Santana
Institution:	ADEMI
Province:	Santo Domingo
Year and Amount of First Loan:	1983 \$ 250
Year and Amount of Last Loan:	1987 \$15,000
Purpose of Loans:	Work. Cap./Fixed Assets
Total Number of Workers at time of First Loan:	8
Total Number of Workers at Present:	18
Gross Sales at time of First Loan:	4,000
Gross Sales at Present:	15,000

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CASE HISTORY

Leonel entered into the ADEMI program in 1982. He has received a total of 8 loans. He started out with a \$250 line of credit for working capital and is currently paying off his \$15,000 line of credit to ADEMI. Leonel now has 18 full-time employees, before 8 people were employed. The business manufactures furniture for 2 wholesalers who sell the chairs, tables, shelves throughout the interior. They own the land and locals. Current monthly sales average around \$15,000. Before receiving the loan sales averaged at \$4,000 p/mo. With their earnings they re-invest back into the business.

The family situation has improved also. They estimate that their standard of living has gone up by about 75%. They have recently bought a new vehicle, own their house now, and are currently expanding their business site. The two kids are enrolled in private schools now.

Loan Program

They would like to see a longer repayment period. It's too short. Overall they are pleased with the program.

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ENTERPRISE SYNOPSIS

Name of Owner:	<u>Adolfo Bdo. Berroa Reyes</u>
Name of Enterprise:	<u>Taller Bdo. Berroa Reyes</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1985 \$ 300</u>
Year and Amount of Last Loan:	<u>1987 \$ 3,000</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>3</u>
Total Number of Workers at Present:	<u>7</u>
Gross Sales at time of First Loan:	<u>3,000 monthly</u>
Gross Sales at Present:	<u>9,000 monthly</u>

A Brief History of the Enterprise and Evolution of
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CASE HISTORY

Mr. Reyes is 36 years old and married. He has taken out 6 loans from ADEMI, the last one being for \$3,000. He has used these loans to expand his business which is the manufacture of artisan products such as purses, hats, jewelry, etc. He is very happy with the way business is going and has high hopes for the future. With some of his earnings, he has been able to buy a new house, put his kids in private school, take his kids to private doctors' clinics and buy a new refrigerator as well as new furniture. Also, one of his employees has been able to save up enough money to buy a motorcycle while another was able to make much needed repairs on his house. Mr. Reyes has nothing but high praise for ADEMI and hopes they never become so successful that they'll forget the little guys.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Rafael Nicolás Cruz</u>
Name of Enterprise:	<u>Zapatería Santa Rosa</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1984 \$ 550</u>
Year and Amount of Last Loan:	<u>1986 \$ 2,000</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>3</u>
Total Number of Workers at Present:	<u>7</u>
Gross Sales at time of First Loan:	<u>3,600 monthly</u>
Gross Sales at Present:	<u>10,000 monthly</u>

A Brief History of the Enterprise and Evolution of
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CASE HISTORY

Mr. Cruz is 55 years old, married, does not own his own house and supports a family of 5 people including himself. He has received 4 loans from ADEMI which were used for working capital for his shoe making business. He has received loans from other organizations and has paid them all back. Using some additional earnings from his shoe business he has been able to make improvements on his house and increase the quality of food his family consumes. Also, one of his employees through an increase in salary was able to make improvements on his house. Mr. Cruz believes the ADEMI program has helped him and has very few complaints. His only comments were that ADEMI's terms of payments were a little harsh and that they needed to increase the amount of their loans with a corresponding increase in payback time.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Mario Pérez Ferreras</u>
Name of Enterprise:	<u>Centro Técnico de Filo</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1982 \$ 300</u>
Year and Amount of Last Loan:	<u>1987 \$ 3,500</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>3</u>
Total Number of Workers at Present:	<u>6</u>
Gross Sales at time of First Loan:	<u>1,200 monthly</u>
Gross Sales at Present:	<u>6,000 monthly</u>

A Brief History of the Enterprise and Evolution of
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CASE HISTORY

Mr. Ferreras is 38 years old and has been taking out loans from ADEMI since 1982. His first loan was for \$300 and he has since taken out 41 loans the last one being this year for \$3,500. He has his own small building in which his business is housed. He also has his own house in which live his family of five. Mr. Ferreras is very happy with the way things are going so far. His time with ADEMI has allowed him to expand his business as well as improve his family situation. With his new earnings he has been able to keep his kids in school and maintain a generally good level of health in his family. Through his experience in handling credit, he feels he has gained more access to new credit and has learned how to better handle the financial aspects of his business.

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ENTERPRISE SYNOPSIS

Name of Owner:	<u>Quitano Montilla Pinales</u>
Name of Enterprise:	<u>Dulcería Las Tres Rosas</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1983 \$ 100</u>
Year and Amount of Last Loan:	<u>1987 \$ 8,000</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>3</u>
Total Number of Workers at Present:	<u>5</u>
Gross Sales at time of First Loan:	<u>7,500 monthly</u>
Gross Sales at Present:	<u>28,500 monthly</u>

A Brief History of the Enterprise and Evolution of
the owner's family welfare from the First Loan to the Present

CASE HISTORY

Mr. Montilla has been in the candy business for more than 26 years. For 22 of those years he sold his products on the street paying 3 employees and making \$6,000 month. In 1983, he was approached by ADEMI and as a result took out his first loan of \$100. He promptly paid it back in 30 days and thus began a series of loans the latest of which amounted to \$8,000. As a result of these loans, he has moved his business from the street into a shop, has hired 2 more workers and is making \$27,000 - 30,000 a month in sales. With some of his new found earnings, Mr. Montilla has built a house making it two that he personally owns. He is fortunate in that of the 6 people that live in his house, 5 contribute to the maintenance of the family by working. He feels that his life is more comfortable now but that one should never let up but should continue working hard to better their situation. He says he has much more control over his business now. He gave the example of when he buys cheese. Before he never had enough money at one time so he had to buy his cheese on credit which resulted in him paying \$30 more in interest per purchase. Now he can pay for his raw materials up front thus avoiding the interest.

ENTERPRISE SYNOPSIS

Name of Owner:	Juan Darío Nuñez
Name of Enterprise:	Casa Johny
Institution:	ADEMI
Province:	Santo Domingo
Year and Amount of First Loan:	1983 \$ 200
Year and Amount of Last Loan:	1987 \$14,000
Purpose of Loans:	Work. Capital/Fixed Capital
Total Number of Workers at time of First Loan:	2 - 3
Total Number of Workers at Present:	10
Gross Sales at time of First Loan:	4,500 monthly
Gross Sales at Present:	22,500 monthly

A Brief History of the Enterprise and Evolution of
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CASE HISTORY

Mr. Nuñez is 53 years old, married and supports a house of 10 people. He has received 20 loans from ADEMI, the last one (14,000) being about the maximum amount possible with ADEMI. When the interviewer was there, business was bustling with mattresses in different stages of repair strewn about taking up almost all available space. Mr. Nuñez seemed genuinely happy with the way his business was going. He said that all his kids were attending school at various levels. He employs two of his children and one attends the university after work. One of his sons has opened up a stove sales and repair shop next door. Mr. Nuñez has plans to increase the size of his business and if things continue well, he hopes to build a new house away from the hustle and bustle of the city.

ENTERPRISE SYNOPSIS

Name of Owner:	Salvador Uribe
Name of Enterprise:	Procesadora de Papel
Institution:	ADEMI
Province:	Santo Domingo
Year and Amount of First Loan:	1984 \$ 300
Year and Amount of Last Loan:	1987 \$15,000
Purpose of Loans:	Working Capital
Total Number of Workers at time of First Loan:	8
Total Number of Workers at Present:	21
Gross Sales at time of First Loan:	9,000 monthly
Gross Sales at Present:	20,000 monthly

A Brief History of the Enterprise and Evolution of
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CASE HISTORY

Mr. Uribe is 42 years old, a university graduate, single and rents a house in which live 4 people all of whom he supports. He has received 10 loans from ADEMI. Mr. Uribe seems to be a workaholic and very much interested in making his business grow. He has probably reach the level where his needs are too big for ADEMI. His biggest complaint was that ADEMI needed to raise the amount of their maximum loans, give two months grace time to begin payments and give 2 years time in order to pay back the loans. Overall he seemed very satisfied with ADEMI and felt their work was very important in helping the small businessman.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>José Heromi Suero</u>
Name of Enterprise:	<u>"Calimentos"</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1986 \$ 300</u>
Year and Amount of Last Loan:	<u>1987 \$12,000</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>2</u>
Total Number of Workers at Present:	<u>3</u>
Gross Sales at time of First Loan:	<u>2,700 monthly</u>
Gross Sales at Present:	<u>6,000 monthly</u>

A Brief History of the Enterprise and Evolution of
the owner's family welfare from the First Loan to the Present

CASE HISTORY

Mr. Suero is 50 years old, married and supports 9 people all of whom live in his house. He supports these people by selling vegetables, meats and fruits from a tricycle that he peddles around town. He has just recently opened up a small stand from which he also sells his goods. He has received three loans from ADEMI and has nothing but high praise for the program. In fact, Mr. Suero is the ADEMI representative in that area of Santo Domingo and according to him he does it for free. He says he does it because he believes in the ADEMI program. One of reasons he is so strong in his support is the actual benefits he has personally received from ADEMI. He has been able to buy a new refrigerator and stove. His daughter is in school. His health is much better especially since his appendicitis operation which was paid for from earnings of his business. Before, he had to walk to work. Now he takes public transportation. And when his mother died he was able to pay all the funeral costs. His only advice for ADEMI was to continue working with and not forget the little guy.

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ENTERPRISE SYNOPSIS

Name of Owner:	Matía Coca
Name of Enterprise:	Taller Escoca
Institution:	ADEMI
Province:	Santo Domingo
Year and Amount of First Loan:	1985 \$ 300
Year and Amount of Last Loan:	1987 \$ 500
Purpose of Loans:	Working Capital
Total Number of Workers at time of First Loan:	7
Total Number of Workers at Present:	7
Gross Sales at time of First Loan:	4,500 monthly
Gross Sales at Present:	4,500 monthly

A Brief History of the Enterprise and Evolution of
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CASE HISTORY

Mr. Coca is 51 years old, married with his own house. He supports 7 people all of whom live in his house. He has only taken out two loans from ADEMI, therefore, since he hasn't ever taken out loans before he has still had little experience handling credit. He seems to be optimistic about the future with respect to his business. He said that before, the government wasn't building too much but now with the huge investment in construction by the new government, business has picked up and should continue to grow. An interesting aside is that he pays all the medical bills of his employees.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Juan Ramón Sánchez</u>
Name of Enterprise:	<u>Industrias Sánchez</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1983 \$ 200</u>
Year and Amount of Last Loan:	<u>1987 \$ 470</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>1</u>
Total Number of Workers at Present:	<u>1</u>
Gross Sales at time of First Loan:	<u>440 monthly</u>
Gross Sales at Present:	<u>1,000 monthly</u>

A Brief History of the Enterprise and Evolution of
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CASE HISTORY

Mr. Sánchez is 28 years old, divorced and supports 4 people in a rented house. Right now he is a couple of months behind on his payments but plans to get caught up soon. He has had a somewhat unfortunate recent history. A few years ago, his business which consists of making leather bible covers was thriving but he then began to experience some personal problems and began to drink and gamble. He succeeded in losing almost all the money from the business and almost lost the business itself. He says now that with the help of God, he has changed and has started to rebuild his life as well as his business. He says ADEMI has helped him a lot. He recently had an appendicitis and was able to pay the doctor's bill. He is putting his sister through secretarial school and says that now he doesn't have to worry about there being enough food on the table.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Ramón Mario Novo Gómez</u>
Name of Enterprise:	<u>Taller de Platería San Ramón</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1983 \$ 300</u>
Year and Amount of Last Loan:	<u>1986 \$10,000</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>2</u>
Total Number of Workers at Present:	<u>6</u>
Gross Sales at time of First Loan:	<u>1,000/1,500 monthly</u>
Gross Sales at Present:	<u>10,000 monthly</u>

A Brief History of the Enterprise and Evolution of
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CASE HISTORY

Mr. Gómez is 25 years old, married, has his own house and supports 8 people. He co-owns the jewelry business with his brother. He has taken out 8 loans from ADEMI the last one being for \$10,000 and has never been late on a payment. He says that as a result of the help received from ADEMI his life has improved immensely. Using the earnings from his business he has been able to move into a better house, put his children into a better school, buy two new television sets, a stereo system and a car. Also, all are in better health as a result of their improved diets. Ramón Gómez and his brother truly seemed to be experiencing much success with their business financially as well as personally. They're both young, motivated and very grateful for the help they have received from ADEMI.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Miguel Vallejo</u>
Name of Enterprise:	<u>"Ebanistería"</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1984 \$ 300</u>
Year and Amount of Last Loan:	<u>1987 \$ 1,000</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>2</u>
Total Number of Workers at Present:	<u>10</u>
Gross Sales at time of First Loan:	<u>4,000 monthly</u>
Gross Sales at Present:	<u>13,000 monthly</u>

A Brief History of the Enterprise and Evolution of
the owner's family welfare from the First Loan to the Present

CASE HISTORY

Mr. Vallejo is 35 years old, married and supports 5 people in a rented house. He has received 13 loans from ADEMI the last one being for \$1,000. He also has taken out a \$15,000 loan from a private bank. His furniture making business is much improved since his first loan and he has a very positive outlook for the future. He plans to use his earnings to expand his shop and open his own store from which to sell his products. He says that his family life has improved citing that before, he rented 2 rooms rather than the 4 he has now. Also, all his kids are able to go to school and he has enough money to cover most any common medical problem that may arise. He just bought a new color television set and can now invest more money in buying better quality food for his family. His only complaint about ADEMI is the short time they allow for payment. He feels they should be more sensitive to the unique difficulties of the small businessman.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>José Manuel Morfa</u>
Name of Enterprise:	<u>Ebanistería Santo Domingo</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1984 \$ 500</u>
Year and Amount of Last Loan:	<u>1987 \$ 2,800</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>2-3</u>
Total Number of Workers at Present:	<u>10</u>
Gross Sales at time of First Loan:	<u>1,500 monthly</u>
Gross Sales at Present:	<u>8,000 monthly</u>

A Brief History of the Enterprise and Evolution of
the owner's family welfare from the First Loan to the Present

CASE HISTORY

Mr. Morfa is 32 years old, single and lives alone in a rented house. He has taken out 5 loans from ADEMI and one for \$10,000 from a private bank which he paid back in a year. All his employees are full-time, receive social security and double one month's salary at the end of the year. Mr. Morfa feels good about the future of his business and plans to buy some land on which he will relocate his business. He feels that ADEMI is one of the best loan institutions for small businessmen in the Dominican Republic. His only complaint was that it was a little difficult to meet the deadlines for loan payments.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Mercedes Landestoy</u>
Name of Enterprise:	<u>Confecciones Lila</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1982 \$ 200</u>
Year and Amount of Last Loan:	<u>1987 \$ 5,800</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>3</u>
Total Number of Workers at Present:	<u>5</u>
Gross Sales at time of First Loan:	<u>2,000 monthly</u>
Gross Sales at Present:	<u>4,000 monthly</u>

A Brief History of the Enterprise and Evolution of
the owner's family welfare from the First Loan to the Present

CASE HISTORY

Mrs. Landestoy is not the major contributor to the family income. Her husband sells and repairs watches, sunglasses, jewelry, etc. That is not to say that her clothing business doesn't help. She has two sons of 7 and 11 years of age. Both are in good health and seem to have a good future ahead of them. Mrs. Landestoy employs 5 people who work in her house where she now has her business located. She has her own clientele all of whom she knows by their first name. These people live in the neighborhood and are steady customers. She hopes to someday open her own "Tiendecita" (shop), but for now she is just making ends meet. She did allow that she was able to buy a new television set for the family. One of her problems is the inconsistency of the electricity. In fact, it is such a problem that it caused her to be late on one of her payments. Another problem is that she tried borrowing an electric generator but it broke down and she has not been able to replace it. Nevertheless, she is optimistic.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Miguel Hermógenes Germosén</u>
Name of Enterprise:	<u>Tecni-Arte Metálico</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1985 \$ 500</u>
Year and Amount of Last Loan:	<u>1987 \$ 1,500</u>
Purpose of Loans:	<u>Work. and Fixed Capital</u>
Total Number of Workers at time of First Loan:	<u>4</u>
Total Number of Workers at Present:	<u>4</u>
Gross Sales at time of First Loan:	<u>6,000 monthly</u>
Gross Sales at Present:	<u>10,500 monthly</u>

A Brief History of the Enterprise and Evolution of
the owner's family welfare from the First Loan to the Present

CASE HISTORY

Mr. Germosén is 32 years old, married and owns his own house. He is an engineer and comes across as very in control of his situation. Since receiving his first loan from ADEMI he has added furniture to his product line. He is now also paying back another loan of \$1,500 for private purposes from a private bank. He is very happy with ADEMI but he does not seem to need them very much. He has enough credit to get loans from other larger institutions but uses ADEMI because of its good terms and short lead time before giving out loans.

Mr. Germosén seemed like one of those persons who will be successful in whatever he does. He is competent, educated and very motivated in respect to his business. Since receiving his first loan from ADEMI he and his wife have moved out of her parent's house and now live in their own house. He also has a new car. When asked about the future he had nothing but positive things to say.

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ENTERPRISE SYNOPSIS

Name of Owner:	<u>Lucía Margarita de los Santos</u>
Name of Enterprise:	<u>Luchy Dulces</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1984 \$ 500</u>
Year and Amount of Last Loan:	<u>1987 \$ 1,000</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>5</u>
Total Number of Workers at Present:	<u>5</u>
Gross Sales at time of First Loan:	<u>14,250 monthly</u>
Gross Sales at Present:	<u>5,250 monthly</u>

A Brief History of the Enterprise and Evolution of
the owner's family welfare from the First Loan to the Present

CASE HISTORY

Mrs. Margarita is 56 years old, single, rents the house she lives in and supports 2 daughters who share the house with her. She has received loans from other organizations as well as the 5 she has received from ADEMI. She feels that ADEMI has helped her. She has been able to improve her standard of living since her first loan from ADEMI and she has a confident outlook for the future. Business has not really started off as expected because the sweets business is not her primary source of income. She has another business (clothing) from which she derives the majority of her earnings. But when the sweets business does get rolling she plans to use the additional earnings to move into another house. Hopefully one that will be her own.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Teófilo Nolasco Pérez</u>
Name of Enterprise:	<u>Creaciones Nolasco</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1983 \$ 300</u>
Year and Amount of Last Loan:	<u>1986 \$ 2,000</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>6</u>
Total Number of Workers at Present:	<u>2</u>
Gross Sales at time of First Loan:	<u>10,800 - 12,960 monthly</u>
Gross Sales at Present:	<u>N/A</u>

A Brief History of the Enterprise and Evolution of
the owner's family welfare from the First Loan to the Present

CASE HISTORY

Mr. Nolasco is 52 years old, married and supports 8 people all of which live in his house. He has received 24 loans from ADEMI and is now taking out loans with loan sharks because he already has loans out with ADEMI. His reason for going to loan sharks was that he felt they were more convenient than for example private banks and besides he only needed small loans of around \$400. He has not had the best of luck with his business. He had to sink a lot of money into doctors bills for sick family members, a couple of deaths and to top it all off, his car burned. Despite the rotten luck, he has been able to rebuild his house from wood into cement, put his kids in high school and buy a new television set. He feels that if a person has a good credit history with ADEMI, they should be allowed a little more flexibility in their loan payments. Outside of this small complaint he feels that ADEMI is a good thing and it helps the little guy.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Héctor Oscar Mateo</u>
Name of Enterprise:	<u>Panadería Mateo</u>
Institution:	<u>ADEMI</u>
Province:	<u>Azua</u>
Year and Amount of First Loan:	<u>1985 \$ 500</u>
Year and Amount of Last Loan:	<u>1987 \$ 3,000</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>7</u>
Total Number of Workers at Present:	<u>13</u>
Gross Sales at time of First Loan:	<u>5,000 monthly</u>
Gross Sales at Present:	<u>12,000 monthly</u>

A Brief History of the Enterprise and Evolution of
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CASE HISTORY

Mr. Mateo is a producer of bread in Azua. His first loan with ADEMI was in 1985 for RD\$500. He has used the money from his loans for working capital. Currently on his fourth loan for RD\$3,000 Mr. Mateo has seen his sales, number of employees and fixed assets increase over the past 2 years. Also, he has been able to save a small amount in his bank account.

Mr. Mateo is very proud that he has been able to send his child to private school using some of his earnings. Also, he has been able to buy a new motorcycle for his family.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Efren Hernández</u>
Name of Enterprise:	<u>Rattan and Cromado, C. x A.</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1985 \$ 1,000</u>
Year and Amount of Last Loan:	<u>1987 \$ 3,000</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>9</u>
Total Number of Workers at Present:	<u>6</u>
Gross Sales at time of First Loan:	<u>3,500 monthly</u>
Gross Sales at Present:	<u>6,000 monthly</u>

A Brief History of the Enterprise and Evolution of
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CASE HISTORY

Mr. Efren Hernández owns a small business which produces furniture. Mr. Hernández received his first loan from ADEMI in 1985 for rD\$1,000. He recently received his third loan for RD\$3,000. His loans have been used for working capital as the price of wood has increased sharply over the past few years. Also, the sales and fixed assets of the business continue to increase each year.

Mr. Hernández stated that his family's life had basically stayed the same although with increased earnings his family has been able to eat better on a regular basis.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Antonio Tavaréz</u>
Name of Enterprise:	<u>Ind. de Calzado Tavaréz</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1984 \$ 700</u>
Year and Amount of Last Loan:	<u>1987 \$ 2,000</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>4</u>
Total Number of Workers at Present:	<u>6</u>
Gross Sales at time of First Loan:	<u>6,100 monthly</u>
Gross Sales at Present:	<u>8,000 monthly</u>

A Brief History of the Enterprise and Evolution of
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CASE HISTORY

Mr. Tavaréz is a producer of shoes in Santo Domingo. Since receiving his first loan from ADEMI in 1984 for rD\$700 the business has increased sales, fixed assets and the number of employees.

Currently on his sixth loan from ADEMI for rD\$2,000, Mr. Tavaréz continues to use his loans for working capital. As his business has grown he has been able to save over RD\$6,000 in his bank account.

Mr. Tavaréz has been able to feed his family better to which he attributes their good health. Also, with some of his earnings he was able to purchase a new motorcycle.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Milcíades Martínez</u>
Name of Enterprise:	<u>Fábrica de Fundas Milcíades</u>
Institution:	<u>ADEMI</u>
Province:	<u>Baní</u>
Year and Amount of First Loan:	<u>1984 \$ 50</u>
Year and Amount of Last Loan:	<u>1986 \$ 500</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>4</u>
Total Number of Workers at Present:	<u>7</u>
Gross Sales at time of First Loan:	<u>300 monthly</u>
Gross Sales at Present:	<u>500 monthly</u>

A Brief History of the Enterprise and Evolution of
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CASE HISTORY

Mr. Martínez has a small business which sells brown paper shopping bags in the town of Baní. He purchases used cement bags and makes shopping bags out of them while earning a small profit. His shopping bags are sold in the market area where women place their fruit and vegetables in them.

His loans which began in 1984 have been used for working capital. The number of his employees has increased from 4 to 7. Through the loans Mr. Martínez has been able to purchase a bicycle for his business. Also, with some of his earnings he paid for his wife's operation and medicine that followed.

His children who work for him use their earnings to buy shoes and clothes.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Mercedes Villar</u>
Name of Enterprise:	<u>Creaciones Menfis</u>
Institution:	<u>ADEMI</u>
Province:	<u>Azua</u>
Year and Amount of First Loan:	<u>1985 \$ 500</u>
Year and Amount of Last Loan:	<u>1987 \$ 250</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>1</u>
Total Number of Workers at Present:	<u>1</u>
Gross Sales at time of First Loan:	<u>250 monthly</u>
Gross Sales at Present:	<u>400 monthly</u>

A Brief History of the Enterprise and Evolution of
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CASE HISTORY

Mrs. Mercedes Villar is a businesswomen who makes her own clothes in the town of Azua. She sells her clothes out of a small shop and since her first ADEMI loan in 1985 both her sales and fixed assets have increased.

A major problem Mrs. Villar focus with her business is that the electricity goes off quite often in Azua. Also, she feels that in some instances the length of ADEMI loans needs to be increased. Although many aspects of her life have remained the same since her first loan with ADEMI, Mrs. Villar's increased income has allowed her to purchase more food on a regular basis for her family.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Marcelino Holguín</u>
Name of Enterprise:	<u>Creaciones Holguín</u>
Institution:	<u>ADEMI</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1985 \$ 300</u>
Year and Amount of Last Loan:	<u>1987 \$ 1,500</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>4</u>
Total Number of Workers at Present:	<u>4</u>
Gross Sales at time of First Loan:	<u>1,100 monthly</u>
Gross Sales at Present:	<u>1,700 monthly</u>

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CASE HISTORY

Mr. Marcelino Holguín is a shoemaker in Santo Domingo. He makes his shoes in a small shop in the back of his home. Mr. Holguín has taken out many loans with ADEMI ranging from RD\$300 to RD\$1,500. He has used his loan money for working capital. His major problem has been the lack of electricity in his shop. His sales and fixed assets have increased since 1985 although his employees have remained the same.

Mr. Holguín was able to send his son to school and he is now an engineer. Also, his wife had been sick and he used some of his earnings for medicine.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Manuel Marte</u>
Name of Enterprise:	<u>Panaderia Manuel</u>
Institution:	<u>CATRE</u>
Province:	<u>San Pedro de Macoris</u>
Year and Amount of First Loan:	<u>N/A</u>
Year and Amount of Last Loan:	<u>1985, RD\$17,000</u>
Purpose of Loans:	<u>Purchase of fixed assets</u>
Total Number of Workers at time of First Loan:	<u>5</u>
Total Number of Workers at Present:	<u>7</u>
Gross Sales at time of First Loan:	<u>8,000.00 monthly</u>
Gross Sales at Present:	<u>12,000.00 monthly</u>

A Brief History of the Enterprise and Evolution of
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CASE HISTORY

Manuel Marte received his loan from CATRE in order to buy new equipment for his bakery. He has doubled his production capacity, but is not able to produce because of frequent blackouts. During these blackouts much of his product in process is lost because the dough gets too old to use. He now sells in bulk to salesmen who carry the product to other stores, but he plans to relocate in an area in the central business district where he can sell per unit.

During the time of his loan, one of Manuel's sons had to be hospitalized at \$100 a day and another son died. During this time he was not able to keep up with his loan payments. Therefore, he wants CATRE to set up the program to be more lenient with clients who have had special problems. He said also that CATRE would be more effective if they could speed up the approval and disbursement process, as well as send the check directly to the client instead of to a bank.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Eladio María Torres</u>
Name of Enterprise:	<u>Fábrica de Block Torres</u>
Institution:	<u>CATRE</u>
Province:	<u>San Pedro de Macoris</u>
Year and Amount of First Loan:	<u>N/A</u>
Year and Amount of Last Loan:	<u>1984, RD\$38,000</u>
Purpose of Loans:	<u>Purchase of fixed assets</u>
Total Number of Workers at time of First Loan:	<u>16</u>
Total Number of Workers at Present:	<u>8</u>
Gross Sales at time of First Loan:	<u>9,000.00 monthly</u>
Gross Sales at Present:	<u>16,000.00 monthly</u>

A Brief History of the Enterprise and Evolution of
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CASE HISTORY

Eladio María Torres received a loan from CATRE to buy equipment and land for his Block factory. He is also the owner of a furniture store and hardware store.

Since he has received his loan, his profits have gone down 10% and he has had to lay off half of his employees. He attributes this to the shortage of cement the country is experiencing and the lack of availability of sand and gravel due to government regulations.

In order to keep up with his loan payments, Eladio has a loan from a loan shark. He says CATRE's program could be improved with longer payback periods and more lenient grace periods.

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ENTERPRISE SYNOPSIS

Name of Owner:	<u>Adolfo Ramírez Díaz</u>
Name of Enterprise:	<u>Latinos Muebles</u>
Institution:	<u>CATRE</u>
Province:	<u>San Pedro de Macoris</u>
Year and Amount of First Loan:	<u>1986 RD\$10,000</u>
Year and Amount of Last Loan:	<u>N/A</u>
Purpose of Loans:	<u>Fixed assets/working cap.</u>
	<u>Fixed capital</u>
Total Number of Workers at time of First Loan:	<u>--</u>
Total Number of Workers at Present:	<u>23</u>
Gross Sales at time of First Loan:	<u>--</u>
Gross Sales at Present:	<u>--</u>

A Brief History of the Enterprise and Evolution of
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CASE HISTORY

Adolfo Ramírez Díaz operates a furniture manufacturing shop. He imports mahogany from Mexico and makes bed stands, tables and chairs as well as cabinets and china cabinets. These are for export to the United States through Puerto Rico. He has highly skilled workmen who carve intricately designed patterns in the wood.

Adolfo started his business with nothing. He conceived the idea, did a market survey, got an import and export licence, and with these, was able to secure his loan from CATRE. The first half of his loan came through in March, 1986. With this he rented his shop and purchased equipment. He had put in an order for mahogany, but when it entered post, he did not have enough money to pay for it so the dealer sold it to another buyer. His second disbursement came in Sept. and he bought the remaining equipment he needed. He put in an order for another shipment of mahogany and this arrived in April. He did not have enough money to buy the entire shipment. The dealer in the States would not front him the money for his order. Adolfo bought the part of the shipment he could and put in another order. He went to CATRE and asked for an extension on his grace period as he had to start paying his loan in April. He was turned down. In June he received a \$30,000 line of credit from Banco Comercio.

When interviewed, his shop had been working for less than two weeks. Adolfo stated that due to having to wait 6 months for his second disbursement he almost lost everything and still does not know if he can get enough working capital to make his business run. The new credit line helps and he places his hopes in it.

Adolfo showed me his plan for workers wages. The wages range from \$1,500 monthly down to \$350. The workers will receive full benefits, social security, vacations, double salary for December, medical insurance as well as work incentives.

Adolfo stated that his lifestyle has not changed since receiving his loan. He has had to put everything he has into the business for the working capital. In the next few months he should know if his business will be able to make it or not.

ENTERPRISE SYNOPSIS

Name of Owner:	Rafael Ramón Roldán
Name of Enterprise:	Imprenta Romana
Institution:	CATRE
Province:	La Romana
Year and Amount of First Loan:	1986 RD\$75,000
Year and Amount of Last Loan:	N/A
Purpose of Loans:	Fixed capital
Total Number of Workers at time of First Loan:	4
Total Number of Workers at Present:	15
Gross Sales at time of First Loan:	5,890
Gross Sales at Present:	25,000

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CASE HISTORY

Rafael Ramón Roldán started his printing shop when he realized that nearly all printing needed in La Romana was being sent to the Capital. He purchased a used printing press and started his own small business. He was overwhelmed with orders. He went to CATRE to get a loan to buy more printing machines and was able to buy 6 machines. With these machines he has been able to work at full capacity and re-invest his profits into more equipment. With the opening of the Zona Franca in La Romana, he still cannot keep up with the orders.

He has hired 14 new workers who received full benefits. He stated that he does not live much different than before and that he re-invests all of his money into the shop and that he will keep expanding.

Rafael stated that he has not used his profits to benefit his personal life, but re-invests the money into the business.

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ENTERPRISE SYNOPSIS

Name of Owner:	<u>Richard Ortiz</u>
Name of Enterprise:	<u>Dulces Ortiz</u>
Institution:	<u>CATESUR</u>
Province:	<u>Bani</u>
Year and Amount of First Loan:	<u>1985 RD\$19,570</u>
Year and Amount of Last Loan:	<u>N/A</u>
Purpose of Loans:	<u>Fixed capital</u>
Total Number of Workers at time of First Loan:	<u>7</u>
Total Number of Workers at Present:	<u>7</u>
Gross Sales at time of First Loan:	<u>3,500</u>
Gross Sales at Present:	<u>3,800</u>

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CASE HISTORY

Richard Ortiz runs a candy factory which makes milk and fruit flavored sweets for sale in Bani. Since receiving his loan, Richard has been able to build a block building in which to make his candy. A part of the loan went towards purchasing equipment.

Richard stated that business has been poor. He was injured in an automobile accident and used part of his loan to pay his medical bills. He has no money to invest in the purchase of goods needed to produce his candy. He has taken out a loan to pay off his CATESUR loan. He says he hopes business will improve, however, he still hasn't any money to buy the goods he needs.

Richard is now behind several months on his loan payments. He has not been able to get the terms of his loan changed. He stated that if he cannot solve his short-term financial problems, his business will fail.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Miguel Fco. Contin</u>
Name of Enterprise:	<u>Repostería Silvana</u>
Institution:	<u>CATRE</u>
Province:	<u>San Pedro de Macoris</u>
Year and Amount of First Loan:	<u>1985 RD\$23,000</u>
Year and Amount of Last Loan:	<u>N/A</u>
Purpose of Loans:	<u>Fixed assets</u>
Total Number of Workers at time of First Loan:	<u>7</u>
Total Number of Workers at Present:	<u>13</u>
Gross Sales at time of First Loan:	<u>6,400</u>
Gross Sales at Present:	<u>30,400</u>

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CASE HISTORY

Miguel Contin owned his building and one oven before he took his loan through CATRE. He and his wife and their three daughters worked in the bakery. They received their loan from CATRE in 1985 and were able to buy 2 new ovens and 2 freezers and other equipment. They also remodeled the building to upgrade the facilities. The value of their property has doubled and they have been able to re-invest money into their business and buy their materials at lower cost by buying in quantity.

His three daughters are now going to the Universidad Central del Este. They still work in the store and Miguel has hired 4 more workers who receive wages above minimum wage level and benefits as well.

Miguel plans to further expand his business in the future after paying off his loan. He hopes to be able to produce more cakes and sweet rolls.

ENTERPRISE SYNOPSIS

Name of Owner:	Manuel Sánchez
Name of Enterprise:	"Manuel Sánchez, C. x A."
Institution:	CADEPE
Province:	Moca
Year and Amount of First Loan:	N/A
Year and Amount of Last Loan:	1985 RD\$50,000
Purpose of Loans:	Work. Cap. + Fixed Assets
Total Number of Workers at time of First Loan:	3
Total Number of Workers at Present:	15
Gross Sales at time of First Loan:	4,000
Gross Sales at Present:	80,000

A Brief History of the Enterprise and Evolution of
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CASE HISTORY

Impact on Business

Manuel Sánchez, C. x A., Rice Processor in Moca, received their first loan in 1983 through the Inter-American Development Bank for 6,000.00. In 1985, he had established himself as a good credit risk. He received \$50,000 through the CAT/FIDE loan program.

The firm has had tremendous growth as a result of the FIDE loan but in order to keep growing he has had to look for other sources of credit with larger lines of credit. He currently has a loan outstanding for RD\$150,000 with a private bank and will be taking out another one for RD\$200,000 after making his last payment in October, 1987. He re-invests all his profits (80%) into new machinery/equipment and working capital. He has initiated a new business that sells and makes animal feed for pigs. Manuel's fixed assets have gone from RD\$30,000 before the loan to a current \$800,000. Total assets went from RD\$40,000 to RD\$1,000,000.

Manuel credits the FIDE loan program for his growth because they were the first to give him an opportunity at a large line of credit. He believes this should be available to all medium size businesses.

Impact on Family

Manuel's living situation has improved considerably. All his children are in private schools. The company owns 5 vehicles (for personal use as well). They have selected their new house site and are building a new larger house. A big stove with an oven has been purchased. A freezer, a color television set and two refrigerators also have been added to the comforts of the home.

FIDE Program

Manuel credits his business' success to the FIDE loan. His complaints of the program are: It takes too long to receive the money and that FIDE does not give out more than \$100,000 at a time to individual companies.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Rafael O. Paniagua Sánchez</u>
Name of Enterprise:	<u>Panadería Sánchez</u>
Institution:	<u>CATESUR</u>
Province:	<u>Azua</u>
Year and Amount of First Loan:	<u>1984 RD\$19,224</u>
Year and Amount of Last Loan:	<u>N/A</u>
Purpose of Loans:	<u>Work. Cap. + Fixed Assets</u>
Total Number of Workers at time of First Loan:	<u>8</u>
Total Number of Workers at Present:	<u>35</u>
Gross Sales at time of First Loan:	<u>9,000 monthly</u>
Gross Sales at Present:	<u>54,000 monthly</u>

A Brief History of the Enterprise and Evolution of
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CASE HISTORY

Rafael Osvaldo Paniagua Sánchez received a RD\$19,224 loan through CATESUR in 1984 to upgrade his bread and sweet shop. He had been located in a small building in a lower middle class neighborhood where he was not able to reach many customers who would buy his products. With his loan, Rafael has purchased new equipment and rented a building in the center of town.

He nows sells his more expensive products in the business center of town and maintains his bread shop in the old neighborhood. Rafael stated that business has been good and he expects it to get better. He constantly re-invest his profits into working capital expanding his types of products. His number of employees has increased from 8 to 35 since his loan.

Rafael stated that he has not changed his lifestyle. He hopes to be able to build a new house, but first he must expand the business. He feels that his employees are receiving some benefits. Some of the young men are trained on the job. At least two of his delivery men have purchased new motorcycles to make their deliveries.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Félix Fernández</u>
Name of Enterprise:	<u>Félix Fdez. ú Asoc. C.x A.</u>
Institution:	<u>FDD - CAT</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>N/A</u>
Year and Amount of Last Loan:	<u>1984 RD\$30,000</u>
Purpose of Loans:	<u>Purchase Equipment/FA</u>
Total Number of Workers at time of First Loan:	<u>Total Equivalent 7</u>
Total Number of Workers at Present:	<u>Total Equivalent 7.5</u>
Gross Sales at time of First Loan:	<u>5,783.00</u>
Gross Sales at Present:	<u>N/A</u>
Gross Sales 8 months ago:	<u>18,000</u>

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CASE HISTORYImpact on Business

Félix Fernández requested his FIDE loan in 1983. He made a budget that included prices of machinery/equipment and for raw materials. Between 1983 and 1984 the economy took a big downswing and prices doubled. By the time Félix received the money he was only able to purchase the equipment. He wasn't able to purchase any raw materials or pay for labor. For the past 5 months Félix hasn't been operating his business at full-time capacity, only upon specific occasions. He estimated his monthly sales 5 months ago at around \$18,000, making 15,000 blocks per month. Before receiving the loan he estimated his sales at around \$6,000.00. Félix has had to put a lot of his personal funds into the business and had to take a loan out at a very high annual interest rate. He has been over a year late in his payments to the Central Bank. His wish at this moment is that he never heard of the FIDE loan program.

Impact on Family

Félix has an electronics firm as well that shows a profit. With those earnings he is able to pump in money to buy some raw materials for the Cement block business as well as provide for family necessities. His standard of living has decreased overall in the past 3 years. He still has his family house but has made no improvements. Overall he has seen no changes in his family's living standard.

FIDE Program

Félix is not very supportive of the FIDE program. He does recognize and admit that they are (loans) helping some small - medium businesses.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Eddy de los Santos</u>
Name of Enterprise:	<u>Edelos Industrial</u>
Institution:	<u>FDD - CAT</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>N/A</u>
Year and Amount of Last Loan:	<u>1985 RD\$50,000</u>
Purpose of Loans:	<u>Purchase Machinery/FA</u>
Total Number of Workers at time of First Loan:	<u>6</u>
Total Number of Workers at Present:	<u>12</u>
Gross Sales at time of First Loan:	<u>6,200 monthly</u>
Gross Sales at Present:	<u>7,800 monthly</u>

A Brief History of the Enterprise and Evolution of
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CASE HISTORY

Impact on Business

Edelos Industrial began its operations in 1982. Before that Eddy de los Santos lived in New York working in factories. With that experience he moved back to the Dominican Republic and opened his machine shop. In 1985 Eddy received his first FIDE loan for 50,000. With that injection of money he purchased machinery and raw materials. The number of employees was doubled (6 to 12) since receiving the loan. Total assets went from 98,730 to 368,912. Monthly average sales were 6,200 in 1985 and are currently at 8,000 monthly. With his earnings, Eddy re-invests back into his business purchasing new equipment and paying off his loans. Eddy financed a lot of his business by selling off personal assets. Today he is very happy that he did sell those items. He is optimistic about the future and has already expanded his firm's size twice.

Impact on Family

Eddy's personal items have decreased since opening his business. He's put a lot of those resources into the business. Both he and his wife take salaries out of the business and they recently bought a used car for business/personal use. There have been minor improvements in the house, education and in health.

FIDE Program and Problems

Eddy is very satisfied with the program and encourages FIDE to get more involved with smaller enterprises.

Eddy's biggest problem is the lack of electricity. He hopes to purchase a generator soon.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Alejandro Rodríguez</u>
Name of Enterprise:	<u>Portes Hnos. S.A.</u>
Institution:	<u>FDD - CAT</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>N/A</u>
Year and Amount of Last Loan:	<u>1984 RD\$20,000</u>
Purpose of Loans:	<u>Purchase Equipment</u>
Total Number of Workers at time of First Loan:	<u>5</u>
Total Number of Workers at Present:	<u>15</u>
Gross Sales at time of First Loan:	<u>10,000 monthly</u>
Gross Sales at Present:	<u>40,000 monthly</u>

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CASE HISTORYImpact on Business

Alejandro and his brother opened their Printing Shop (Portes Hnos., S.A.) in late 1980. They received their FIDE loan in 1984 for 20,000. They purchased machinery/equipment and expanded the business. At that time 5 people were employed. Currently 15 people are earning full-time wages. Monthly average sales have gone up 400% from \$10,000 in 1984 to \$40,000. Their biggest income-producer is a Latin-American magazine called Mundo Diplomático which is sold throughout Spanish-speaking countries. With their profits they have been re-investing about 80% back into their firm. They are optimistic about the future and have already expanded their business. They are planning on purchasing the land/building in the next year. They have a generator so lack of electricity is not a serious problem to them.

Impact on Family

In all categories the families' lifestyles have improved. Both brother's own their houses. Their children are enrolled in good private schools, they own new television sets, refrigerators and among the two of them have 3 vehicles. All of this has occurred through the earnings realized from their business.

FIDE Program and Problems

The FIDE loan they both agree has helped their business grow as fast as it has. They definitely would like the program to continue.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Miriam Domínguez</u>
Name of Enterprise:	<u>Confecciones Rojas/Domínguez</u>
Institution:	<u>FDD - CAT</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1987 RD\$51,500</u>
Year and Amount of Last Loan:	<u>N/A</u>
Purpose of Loans:	<u>Purchase Sewing Machines/ Equip./Raw Materials</u>
Total Number of Workers at time of First Loan:	<u>5</u>
Total Number of Workers at Present:	<u>14</u>
Gross Sales at time of First Loan:	<u>10,000</u>
Gross Sales at Present:	<u>25,000</u>

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CASE HISTORY

Impact on Business

Miriam began sewing for an income in early 1982. By the time she received her first loan from FIDE earlier this year she had 5 employees with monthly sales around 10,000.00. With her loan, Miriam purchased machines, raw materials and hired more employees. She now has 14 employees. During this time period Miriam was contacted by the Free Zone in San Pedro and she now works on contract for them. Monthly average sales for her business are at 25,000. Miriam's business has taken over all available space at her home and she says her husband teases her about finding children's clothing or women's clothing in the kitchen, bathroom, etc. She's moving her business within the next month and says her house will be a house again and that will make her husband happy.

Impact on Family

Miriam just received the loan so there's little time to see an impact on their standard of living as a result of receiving the loan. All her earnings she re-invests back into the business. Her husband is an internal auditor and works for himself. All family necessities are provided for by his salary.

FIDE Loan Program/CATS and Problems

It took a while to get the money from the loan. Her business has been very successful and she credits the FIDE loan program for the success. Her problem with her business is that she is not running her business at full - capacity. Electricity averages 4 to 5 hours a day where she lives. In the future she plans to purchase a generator.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Margaret Rose Canto del Giudice</u>
Name of Enterprise:	<u>Exclusividades Michelle</u>
Institution:	<u>CATRE - CAT Center</u>
Province:	<u>San Pedro de Macoris</u>
Year and Amount of First Loan:	<u>1986 RD\$25,000</u>
Year and Amount of Last Loan:	<u>N/A</u>
Purpose of Loans:	<u>Purchase Equipment</u>
Total Number of Workers at time of First Loan:	<u>4</u>
Total Number of Workers at Present:	<u>7</u>
Gross Sales at time of First Loan:	<u>3,000</u>
Gross Sales at Present:	<u>4,500</u>

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CASE HISTORYImpact on Business

Margaret opened her business in 1982 sewing children's clothing. Since 1985 she has been in her present local. She will be moving next month to San Pedro's Commercial District. She has added new activities to her business, opening a gift shop. Presently she's a block away from where the Dominican Ferry docks. When she received her first FIDE loan in 1986 for \$25,000 average monthly sales were at 3,000.00. Currently they are at 4,500. Fixed assets have increased from RD\$25,000 to RD\$40,000. Total assets are quite high, Michelle has injected a lot of her personal resources to increase the inventory of the gift shop. There has been no increase in full-time employees but she has hired 3 more part-time employees since receiving the FIDE loan. Margaret is optimistic about future earnings and intends to re-invest the majority of her profits back into the business.

Impact on Entrepreneur/Family

Margaret's husband is a CPA and they have lived comfortably without the earnings of her shop. She says lately she has begun to help out a bit by purchasing some food items. Otherwise her standard of living has not changed as a result of the FIDE loan.

FIDE Loan Program

Her only comment on the program was that FIDE/CATRE is always checking up on her which at times is okay but not so okay at other times.

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ENTERPRISE SYNOPSIS

Name of Owner:	<u>Nicolás de Luna Fernández</u>
Name of Enterprise:	<u>Calzados Dos Mil</u>
Institution:	<u>PROPE</u>
Province:	<u>San Francisco de Macorís</u>
Year and Amount of First Loan:	<u>1986 RD\$30,000</u>
Year and Amount of Last Loan:	<u>1987 RD\$20,000</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>20</u>
Total Number of Workers at Present:	<u>16</u>
Gross Sales at time of First Loan:	<u>12,000</u>
Gross Sales at Present:	<u>8,500</u>

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CASE HISTORY

Nicolás de Luna Fernández is the owner of "Calzados Dos Mil", a shoe factory in San Francisco de Macorís. His business is located in a section of town where many shoe factories are located. The area is also very politically active. These are the major influences on his recent operations. For three months of 1987, there was a strike which has caused a sharp decrease in profit and the layoff of four employees.

However, as a result of his earnings before these problems, Nicolás' wife was able to finish college and open two private grade-schools. Nicolás' plans will bring the shoe factory back into production, but he and his wife plan to expand the schools as a financial backstop for the political problems that can affect the shoe factory.

Nicolás had no suggestions or problems with the FIDE program itself.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Tirso Ramírez Alcántara</u>
Name of Enterprise:	<u>Sastrería "La Unión"</u>
Institution:	<u>CATESUR</u>
Province:	<u>Azua</u>
Year and Amount of First Loan:	<u>1984 RD\$15,450</u>
Year and Amount of Last Loan:	<u>N/A</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>7</u>
Total Number of Workers at Present:	<u>13</u>
Gross Sales at time of First Loan:	<u>2,600 monthly</u>
Gross Sales at Present:	<u>8,667 monthly</u>

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CASE HISTORY

Tirso Ramírez Alcántara runs a sewing shop. Before receiving his loan from CATESUR, he had 4 sewing machines and 6 workers. His customers, mainly from Azua, would usually buy the material when they wanted an order. He rented a small building for his business.

Since receiving his loan, Tirso has been able to buy 5 more sewing machines, two of which can perform a more complicated stitch. He has hired and trained six new workers. He now has enough money to buy material beforehand and make his clothes to sell in markets in Santo Domingo as well as in Azua. His monthly sales have tripled and he looks forward to buying more machines and hiring more workers in the near future.

Tirso stated that his lifestyle has not greatly changed since receiving his loan. He feels more secure, eats a little better and does not have money worries. He has bought a car with his profits from the business.

His employees are usually students at the local university. They can pay their tuition and buy books with the money they make. Tirso said that he often pays their tuition which they can pay back with their work.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Vicente Cuento</u>
Name of Enterprise:	<u>Colchonería San Pedro</u>
Institution:	<u>CATRE</u>
Province:	<u>San Pedro de Macorís</u>
Year and Amount of First Loan:	<u>1985 RD\$46,314</u>
Year and Amount of Last Loan:	<u>N/A</u>
Purpose of Loans:	<u>Fixed Capital</u>
Total Number of Workers at time of First Loan:	<u>3</u>
Total Number of Workers at Present:	<u>5</u>
Gross Sales at time of First Loan:	<u>9,000 monthly</u>
Gross Sales at Present:	<u>24,000 monthly</u>

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CASE HISTORY

Vicente Cuento owns a cushion making shop. When he received his loan he had one sewing machine and 3 employees. He sold his wares in San Pedro de Macorís. He has been able to purchase 4 new machines and added two employees. He sells his goods all over the East in La Romana and Higüey.

Vicente has re-invested his money in materials so that he now has a much larger inventory. He believes that he will be able to expand this business in the future.

Vicente also owns a furniture shop in La Romana and between the two businesses he has been able to buy his own house and vehicles for transporting his goods. Vicente's main concern is with the electrical blackouts. With so much down-time he cannot keep production up as high as he would like.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Agustina Mercedes Tavarez</u>
Name of Enterprise:	<u>Confecciones Agustina</u>
Institution:	<u>CADEPE</u>
Province:	<u>Moca</u>
Year and Amount of First Loan:	<u>N/A</u>
Year and Amount of Last Loan:	<u>1986 RD\$20,600</u>
Purpose of Loans:	<u>Work. Cap. + Fixed Assets</u>
Total Number of Workers at time of First Loan:	<u>20</u>
Total Number of Workers at Present:	<u>25</u>
Gross Sales at time of First Loan:	<u>7,800 monthly</u>
Gross Sales at Present:	<u>20,475 monthly</u>

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CASE HISTORYImpact on Business

Agustina began her workshop in 1978 with 2 employees and one sewing machine. She started working in the back of her house and continues to expand. She now has a large workroom, factory in back of her house. She produced a variety of women and children's clothing in the first year but has since remained with only 1 product line - children's clothing.

She received her first loan through the FIDE program in 1985 for 20,600 pesos. At that time she had 20 full-time employees and total assets of 78,746. She now has 25 full-time employees with total assets of RD\$81,700. Since receiving the loan her sales have tripled. In 1985, monthly sales averaged RD\$7,800. Currently monthly sales average 20,475. In 1986, Agustina began to work under the CBI, Law No.69 incentive program. She buys her cloth in New York, makes the clothing and sells exclusively to a distributorship in Puerto Rico.

Impact on Family

Agustina's standard of living has improved considerably since she began the business. In the past two years, the company has had spectacular growth. She has a new house and recently purchased a new car for RD\$15,000.

FIDE Program

Takes too long to receive the money and she will be taking out line of credit with private banks in the future.

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ENTERPRISE SYNOPSIS

Name of Owner:	Casimiro Mota
Name of Enterprise:	Mota ú García, C. x A.
Institution:	CATRE
Province:	La Romana
Year and Amount of First Loan:	N/A
Year and Amount of Last Loan:	1983 RD\$42,600
Purpose of Loans:	Working Capital
Total Number of Workers at time of First Loan:	18
Total Number of Workers at Present:	40
Gross Sales at time of First Loan:	40,000 monthly
Gross Sales at Present:	100,000 monthly

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CASE HISTORYImpact on Business

In 1982 Mota ú García, C. por A., was founded by two brothers. Casimiro Mota serves as President/Admin. of the firm and his brother is in charge of production and finance. The business was developed primarily as a secondary activity to supplement their income. The business has grown in such great proportions that they now devote their full attention to the daily operations. Mr. García, Casimiro's brother, just resigned from his former position at La Romana Corp. In 1982 they had purchased some basic equipment but had no money left over to purchase the raw materials. With all the problems in the government at the time, they did not receive their FIDE loan until 1 1/2 years after soliciting the loan. By that time, the business was almost bankrupt and the brothers' families were hurting financially as they were trying to keep the business going with personal funds. The FIDE loan finally arrived and it was injected into the firm. It must have been a savior because CATRE regards Mota ú García as one of the success stories in the FIDE program. Average monthly gross sales have more than doubled, 40 full-time employees are now employed and fixed assets have tripled. Both brothers now depend on the business for their sole income. With all their profits they have re-invested in new machinery, equipment and raw materials.

Impact on Family/Entrepreneur

Both families enjoyed comfortable lifestyles before receiving the FIDE loan. They were strapped for money but still able to eat. The biggest change in their lifestyle has been the purchase of brand new pick-up trucks. They eat out occasionally but prefer home-cooking. They no longer have severe financial worries. Recently, they have just begun to live off the business. Other than that no other changes are noticeable in their lifestyle.

FIDE Loan Program

They are very pleased with the program and attribute their success to the first injection of working capital funded by the FIDE program. They blame the 1 1/2 year delay in receiving their loan on the past government and the general mess within the Central Bank.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Carlos V. Bonnelly Díaz</u>
Name of Enterprise:	<u>Hielo Kajuanka</u>
Institution:	<u>CATRE</u>
Province:	<u>San Pedro de Macorís</u>
Year and Amount of First Loan:	<u>N/A</u>
Year and Amount of Last Loan:	<u>1986 RD\$68,600</u>
Purpose of Loans:	<u>Purchase Equipment - FA</u>
Total Number of Workers at time of First Loan:	<u>1</u>
Total Number of Workers at Present:	<u>5</u>
Gross Sales at time of First Loan:	<u>1,000 monthly</u>
Gross Sales at Present:	<u>5,600 monthly</u>

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CASE HISTORYImpact on Business

Hielo Kajuanka was founded in 1985 by Carlos Bonnelly to provide a basic necessity in the San Pedro area to discotheques, restaurants and hotels.

In 1986 Carlos received his first loan through the FIDE program for \$68,000 pesos for fixed assets. When he received the loan he had \$40,000 in equipment/machines. He now has a market value of \$150,000 in machinery/equip. Monthly sales upon receiving the loan averaged \$1,000. Current monthly sales average \$5,600. Carlos has his University degree and works as an accountant. With the profits he realizes from the ice factory, he re-invests in more machinery and equipment. His only raw material is water. He now has freezers in different sites all over San Pedro with a total of 5 employees. One year ago he employed only one person.

Impact on Family/Entrepreneur

Carlos' earnings as an accountant supply his and his family's lifestyle comfortably. Since opening his ice-making business in 1985 he has had less free time. He re-invests all of his profits into the business.

FIDE Loan Program/Problems

Carlos' cousin is an official of the Central Bank and he has had no problem with the FIDE program. He solicited directly from the Central Bank and Catre was assigned as a follow-up intermediary.

ENTERPRISE SYNOPSIS

Name of Owner:	Juan y Milagros Hidalgo
Name of Enterprise:	Martha's Calzados
Institution:	CADEPE - CAT/FIDE
Province:	Moca
Year and Amount of First Loan:	1985
Year and Amount of Last Loan:	RD\$15,000
Purpose of Loans:	Working Capital
Total Number of Workers at time of First Loan:	8
Total Number of Workers at Present:	18
Gross Sales at time of First Loan:	4,000 monthly
Gross Sales at Present:	20,120 monthly

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CASE HISTORY

Impact on Business

Martha's Calzados began its operations in San Francisco de Macorís in 1979. Two years later they moved to Moca where they found a place to work. Martha's Calzados is owned by Juan y Milagros Hidalgo and the FIDE loan is in their names. But the firm is administered by their Daughter Martha. Martha has just recently completed her university studies and will be receiving her degree in the coming year. Since 1986, Martha has kept all business records in accordance with the General Principles of Accounting.

Martha's Calzados received their first loan through the FIDE program in 1985, an amount of \$15,000 for working capital. They paid that amount back 4 months before the due date in order to begin new loan procedures. It's been 7 months and they have not received word yet as to when they will receive the new FIDE loan.

Sales records before the loan were not available. Average monthly sales in 1987 are RD\$20,120. Estimated monthly sales before receiving the FIDE loan were \$4,000.00.

Total current sales are RD\$135,254. No figures are available before 1985. Current average monthly costs are rD\$15,463. No figures are available before 1985.

Impact on Family

The family's standard of living has improved considerable. They have bought a mini-van. All four children are in the university with one living in the Capital. Juan Hidalgo no longer worries whether there will be money to treat his diabetes. He must receive insulin shots and it is very expensive here. In December of 1985 money was such a problem that Juan's health deteriorated considerably. The health of the family is no longer a daily concern. They are comfortable now and still re-invest the majority of their earnings back into the business. They have begun to place more emphasis on leather production (which is more expensive) than the urethane material which they had been using for their shoes.

Loan Program

Milagros serves as the treasurer of the family-owned operation and is positive about the CADEPE center of assistance but is very frustrated with the delays in receiving new loans through the FIDE program.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Miguel Devarez</u>
Name of Enterprise:	<u>Organización Pina</u>
Institution:	<u>PROPE</u>
Province:	<u>San Francisco de Macorís</u>
Year and Amount of First Loan:	<u>1987 RD\$50,000</u>
Year and Amount of Last Loan:	<u>1985 RD\$15,000</u>
Purpose of Loans:	<u>Work. Cap. + Purchase Mat.</u>
Total Number of Workers at time of First Loan:	<u>8</u>
Total Number of Workers at Present:	<u>28</u>
Gross Sales at time of First Loan:	<u>5,000 monthly</u>
Gross Sales at Present:	<u>40,120 monthly</u>

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CASE HISTORY

Miguel Devarez is the owner of "Organización Pina", a block manufacturing company. He and his wife, who also works in the business, support a family of 10. They owned the business before they received their two FIDE loans. These loans were used to buy additional machinery and equipment as well as working capital, thus enabling them to increase sales by 700% since 1985. Miguel feels that he would not have received a loan from any other organization.

The increased income has allowed him to hire 20 more employees, as well as add a truck to the business. He has also been able to improve his family's economic situation. They are expanding their farm, have enlarged their house, and have enrolled a son in a university. Much of the future business income will be used toward education of the children in the family.

Miguel suggests the program might be improved by more timely loan approval. He also says the Central Bank has too many "hidden charges".

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Ramón Sánchez</u>
Name of Enterprise:	<u>Tapicería Ramón Sánchez</u>
Institution:	<u>PROAPE</u>
Province:	<u>Santiago</u>
Year and Amount of First Loan:	<u>1983 RD\$30,000</u>
Year and Amount of Last Loan:	<u>N/A</u>
Purpose of Loans:	<u>Work. Cap. + Purch. FA</u>
Total Number of Workers at time of First Loan:	<u>10</u>
Total Number of Workers at Present:	<u>25</u>
Gross Sales at time of First Loan:	<u>8,000 monthly</u>
Gross Sales at Present:	<u>4,000 monthly</u>

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CASE HISTORY

Ramón Sánchez is the owner of an upholstery shop named "Tapicería Ramón Sánchez". He received his \$30,000 loan in 1983 to buy equipment and machinery. Since that time he has employed 15 more part-time employees. He doesn't see the loan as having significant impact on his family life, but as something that has kept the business going.

Mr. Sánchez feels that the loan was held up by the bank too long and that the collateral required was too high. He feels this is a sign that the system is designed for large businesses and not for a business such as his. He seems to have quit making his payments in protest of this as well as the fact that he didn't receive the amount of loan that he expected.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Hilario Díaz</u>
Name of Enterprise:	<u>Ebanistería Díaz</u>
Institution:	<u>CADEPE</u>
Province:	<u>Moca</u>
Year and Amount of First Loan:	<u>1985 RD\$15,450</u>
Year and Amount of Last Loan:	<u>N/A</u>
Purpose of Loans:	<u>Work. Cap. + Fized Assets</u>
Total Number of Workers at time of First Loan:	<u>8</u>
Total Number of Workers at Present:	<u>14</u>
Gross Sales at time of First Loan:	<u>12,000 monthly</u>
Gross Sales at Present:	<u>30,000 monthly</u>

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CASE HISTORY

Hilario Díaz is the owner of "Servicios de Construcciones Díaz" which includes a wood working business. He received a FIDE loan for his wood working business. The products are all used as construction materials and not sold to outside markets. Since 1985 he has added six employees and sales have increased by 150%.

Overall Mr. Díaz's business is very successful and he sees the results of this loan as positive, but as a small part of what has happened to his business. He feels it has had no impact on his family life which was already comfortable. He feels the program could be improved by setting up a system whereby commercial banks don't have to be used. He says they are too inflexible for this type of program and too politically oriented.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Sixto Marcelino Vargas</u>
Name of Enterprise:	<u>Creaciones Faby Shoes</u>
Institution:	<u>CADEPE</u>
Province:	<u>Moca</u>
Year and Amount of First Loan:	<u>N/A</u>
Year and Amount of Last Loan:	<u>1985 \$10,000</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>16</u>
Total Number of Workers at Present:	<u>32</u>
Gross Sales at time of First Loan:	<u>39,780</u>
Gross Sales at Present:	<u>111,600</u>

A Brief History of the Enterprise and Evolution of
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CASE HISTORY

Mr. Vargas is 32 years old, married and supports 4 people all of whom live in his house. His \$10,000 loan from CADEPE was for working capital for his shoe business and so far he has made every payment on time. He also took out a \$20,000 loan from a private bank on which he is so far making good. He cited several examples of improved family conditions due to the success his business has had, a few being a new stereo, color T.V. and bed. He also revealed that he and his wife were able to move out of her family's house into one of their own. Other examples he cited were better health due to improvements in his diet and better access to medical care that before would have been financially prohibitive.

Mr. Vargas had very few complaints about the CADEPE Program the only major one being the long lag time between approval and receipt of the loans.

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ENTERPRISE SYNOPSIS

Name of Owner:	<u>Ramón de Luna</u>
Name of Enterprise:	<u>Creaciones Minucha</u>
Institution:	<u>PROAPE</u>
Province:	<u>Santiago</u>
Year and Amount of First Loan:	<u>N/A</u>
Year and Amount of Last Loan:	<u>1985 \$43,500</u>
Purpose of Loans:	<u>Work. and Fixed Capital</u>
Total Number of Workers at time of First Loan:	<u>8</u>
Total Number of Workers at Present:	<u>18</u>
Gross Sales at time of First Loan:	<u>12,000 - 15,000 monthly</u>
Gross Sales at Present:	<u>25,000 - 30,000 monthly</u>

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CASE HISTORY

Mr. Luna is 24 years old, married, rents his house and supports his wife. As of yet, he has no other dependents. With his \$43,500 loan from PROAPE he has been able to employ 18 seamstresses making clothes for children. He seems to be very happy with the way his business is going. His loan was for 4 years 9 months and he is very proud of the fact that he has made every payment on time. He also took out a \$15,000 loan from a private bank and paid that back in one year. He is very optimistic about the future and plans to use his additional earnings to expand his business.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Domingo Flores</u>
Name of Enterprise:	<u>Calzados Flores</u>
Institution:	<u>PROPE</u>
Province:	<u>San Francisco de Macorís</u>
Year and Amount of First Loan:	<u>N/A</u>
Year and Amount of Last Loan:	<u>1984 \$30,000</u>
Purpose of Loans:	<u>Work. and Fixed Capital</u>
Total Number of Workers at time of First Loan:	<u>23</u>
Total Number of Workers at Present:	<u>30</u>
Gross Sales at time of First Loan:	<u>20,000 monthly</u>
Gross Sales at Present:	<u>25,000 monthly</u>

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CASE HISTORY

Mr. Flores is 55 years old, married, owns his own house, supports 5 people, has a business worth around \$350,000 and never completed primary school. He took out a \$30,000 loan from PROPE and never was late on a single payment. He also took out a \$15,000 loan from a private bank and paid it back in a year. He feels that these loans have really given him an opportunity to advance in life. With his earnings he has constructed a new house. He is also very proud of the fact that he can take his kids directly to the doctor at the slightest hint of sickness rather than having to wait until they are grave (a common occurrence here for the lack of money necessary to pay the high doctors' fees). His only complaint about PROPE is that they need to be a little more attentive to the needs of their clients in respect to how the business is going. In this way he feels that the clients will better be able to receive advice and resolve any financial problems before they get out of hand.

ENTERPRISE SYNOPSIS

Name of Owner:	María Cuevas
Name of Enterprise:	Ind. de Calzado Andrés J.Cabrera
Institution:	PROAPE
Province:	Santiago
Year and Amount of First Loan:	1986 \$30,000
Year and Amount of Last Loan:	1987 \$30,000
Purpose of Loans:	Working Capital
Total Number of Workers at time of First Loan:	21
Total Number of Workers at Present:	31
Gross Sales at time of First Loan:	20,000 monthly
Gross Sales at Present:	80,000 monthly

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the owner's family welfare from the First Loan to the Present

CASE HISTORY

Mr. Cabrera is 21 years old, married with his first kid on the way and owns his own house. He has taken out 2 loans, one, his latest, from PROAPE and another directly from FIDE. Both were for \$30,000. When he received his first loan he employed 21 workers. Now he employs 31 on a full-time basis. He feels that so far the business has been a success and is happy with life. With some of his earnings he has added on some new rooms to his house and has been able to purchase a new stereo system, television and bed. All his workers have social security and receive training in their work. His only complaint about PROAPE is that they need to give more technical assistance to their clients especially in the area of how to organize their money so that they can better run their business and pay their loans back.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Rosario Raful</u>
Name of Enterprise:	<u>Creaciones Rosimar</u>
Institution:	<u>PROAPE</u>
Province:	<u>Santiago</u>
Year and Amount of First Loan:	<u>N/A</u>
Year and Amount of Last Loan:	<u>1985 \$25,750</u>
Purpose of Loans:	<u>Working Capital</u>
Total Number of Workers at time of First Loan:	<u>4</u>
Total Number of Workers at Present:	<u>8</u>
Gross Sales at time of First Loan:	<u>6,000 monthly</u>
Gross Sales at Present:	<u>10,000 monthly</u>

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CASE HISTORY

Mrs. Raful is one of the best examples of a successful Dominican businesswoman. She is 38 years old, divorced, supports 7 people all of which live in what could be only called a luxurious two story house in an upperclass neighborhood in Santiago. Her clothing business is situated in her house downstairs in a large room. She has an interesting arrangement. She has an agreement with a Puerto Rican supplier who sends her prepared materials which she assembles and sends back for sale in Puerto Rico. She is optimistic about the future and plans to re-invest her future earnings in the expansion of her business.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>José Julio Jerez</u>
Name of Enterprise:	<u>Empresa Nacional</u>
Institution:	<u>PROAPE</u>
Province:	<u>Santiago</u>
Year and Amount of First Loan:	<u>N/A</u>
Year and Amount of Last Loan:	<u>1985 \$30,900</u>
Purpose of Loans:	<u>Fixed Capital</u>
Total Number of Workers at time of First Loan:	<u>9</u>
Total Number of Workers at Present:	<u>15</u>
Gross Sales at time of First Loan:	<u>N/A</u>
Gross Sales at Present:	<u>35,000 monthly</u>

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CASE HISTORY

Ms. Jerez is a young (28 years), intelligent university student who is successfully running a printing business that has \$35,000 in monthly sales. The business is not really hers but her fathers. She is running it for him because he is 64 years old and really doesn't have the strength to handle the day to day work. Mrs. Jerez feels the experience of running the business and working with credit has been invaluable and the only problems have been the large amount of time involved between solicitation and receiving the loan.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Gladys Paulino de Macarrulla</u>
Name of Enterprise:	<u>"Fábrica de Ropa"</u>
Institution:	<u>PROPE</u>
Province:	<u>San Francisco de Macorís</u>
Year and Amount of First Loan:	<u>N/A 1985</u>
Year and Amount of Last Loan:	<u>\$20,000</u>
Purpose of Loans:	<u>Fixed Capital</u>
Total Number of Workers at time of First Loan:	<u>5</u>
Total Number of Workers at Present:	<u>7</u>
Gross Sales at time of First Loan:	<u>450 monthly</u>
Gross Sales at Present:	<u>1,000 monthly</u>

A Brief History of the Enterprise and Evolution of
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CASE HISTORY

Mrs. Paulino is 42 years old and married. With the help of her \$20,000 loan from PROPE she has set up a quite nice clothing business. She has her own boutique and in the back is the sewing shop. So far she hasn't really been able to get going because she's still getting organized but from the looks of things she probably won't have any problem making ends meet.

Profits from the business have not had a significant impact on family spending. Mrs. Paulino's husband is in his own right a successful businessman and he alone is quite capable of supporting the family comfortably. Therefore, whether or not the clothing business succeeds will not have that much of an impact on their financial well-being except in the case of success, where we would be talking in terms of degrees of middle-class comfort.

Regardless, Mrs. Paulino is very happy with the PROPE program.

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ENTERPRISE SYNOPSIS

Name of Owner:	<u>Leonardo Fco. Lorenzo</u>
Name of Enterprise:	<u>Fábrica de Triciclos Faul</u>
Institution:	<u>FDD</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>N/A</u>
Year and Amount of Last Loan:	<u>1984 RD\$30,000</u>
Purpose of Loans:	<u>Fixed Capital</u>
Total Number of Workers at time of First Loan:	<u>5</u>
Total Number of Workers at Present:	<u>11</u>
Gross Sales at time of First Loan:	<u>144,000 annually</u>
Gross Sales at Present:	<u>393,750 annually</u>

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CASE HISTORY

Mr. Lorenzo is 38 years old, married with 3 daughters and owns his own house in which 6 people live, all of whom he supports. He has employed 6-7 new people since receiving his loan and he has plans to continue expanding his tricycle business. He says that since his loan, the level of life of his family has changed for the better. He has been able to build a new house, maintain all his children in school, buy new furniture, a television and even a car from the additional earnings he was able to generate from his business. He is also able to pay all the doctors bills for his employees as well as their lunches while they are on the job. He has their lunches prepared for them at the business and also gives them each few pesos for supper in the hope that they will maintain their health and continue to do quality work for him.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Lic. Fernando Cobo</u>
Name of Enterprise:	<u>Editora Cobo, S.A.</u>
Institution:	<u>Banco de Desarrollo Finade</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1986, 92,000</u>
Year and Amount of Last Loan:	<u>1986, 92,000</u>
Purpose of Loans:	<u>Purchase Equipment</u>
Total Number of Workers at time of First Loan:	<u>5</u>
Total Number of Workers at Present:	<u>17</u>
Gross Sales at time of First Loan:	<u>5,000</u>
Gross Sales at Present:	<u>15,000</u>

A Brief History of the Enterprise and Evolution of the owner's family welfare from the First Loan to the Present

CASE HISTORY

Impact on Business

Editora Cobo, S.A., received their first FIDE loan in 1986 for \$92,000 for a combination of working capital and fixed assets. At the time of receiving the loan there were 5 employees. Currently 17 are employed by the firm. Monthly average sales went from \$5000 to a current \$15,000. Lic. Fernando Cobo, Vice-president of the FINADE Development Bank, is the owner of the Small Business. He reinvests all of the earnings from the business back into the company. With future earnings he plans to purchase more equipment. He has already made arrangements with the owner of the house next to his building to purchase the property. Within the next year he plans to double his fixed assets which are currently valued at \$134,000. Before receiving the loan approximate value was RD\$25,000.

Impact on Entrepreneur and Family

Lic. Cobo's salary as Vice-president of a Development Bank takes care of all personal and family needs. No impact has been seen since receiving the loan.

FIDE Program and Problems

He doesn't see any problems with the program. On the contrary he has a very positive attitude. His main problem at the firm now is the lack of electricity. He estimates that the firm is operating at only 40% capacity. Future plans include the purchase of a generator.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Julio Alipio Espaillat</u>
Name of Enterprise:	<u>Fábrica de Hielo</u>
Institution:	<u>Banco Dominicano del Progreso</u>
Province:	<u>La Vega</u>
Year and Amount of First Loan:	<u>1985, 45,500</u>
Year and Amount of Last Loan:	<u>-----</u>
Purpose of Loans:	<u>Purchase of fixed assets</u>
Total Number of Workers at time of First Loan:	<u>5</u>
Total Number of Workers at Present:	<u>10</u>
Gross Sales at time of First Loan:	<u>10,193</u>
Gross Sales at Present:	<u>14,766</u>

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CASE HISTORY

Julio Alipio Espaillat is the owner of a water purification/ice manufacturing company. His business was well under way before the loan, which is being used to add equipment and enlarge the plant. He says the results of the loan will be realized in the future, but as a small part of the business, it will not bring in extra family income.

He thinks the FIDE program could be improved if the amount of collateral required could be lowered. He also suggested that FIDE use promoters to oversee and maintain the loans through frequent visits to clients.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>José Augusto Perdomo M.</u>
Name of Enterprise:	<u>Carnicería La Francesa</u>
Institution:	<u>Banco de Reservas</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>N/A</u>
Year and Amount of Last Loan:	<u>1985, 50,000</u>
Purpose of Loans:	<u>Capital de Trabajo</u>
Total Number of Workers at time of First Loan:	<u>12</u>
Total Number of Workers at Present:	<u>39</u>
Gross Sales at time of First Loan:	<u>60,000</u>
Gross Sales at Present:	<u>180,000</u>

A Brief History of the Enterprise and Evolution of
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CASE HISTORY

Impact on Business

Carnicería La Francesa opened in 1980. La Francesa is a popular brand of salamis and hams that are sold in many grocery/supermarkets throughout the country. They also sell other types of meat. In 1982, the administrator José Augusto Perdomo received a loan through the Banco de Reservas to purchase equipment. In 1985 he received a FIDE loan of 50,000 for expansion purposes.

At the time of soliciting the FIDE loan the Carnicería had 12 full-time employees. Currently, there are 39 full-time employees. Fixed assets have gone from 95,000 in 1985 to 245,000 pesos today. Total assets have doubled since receiving the FIDE loan, (185,000 - 365,000). Monthly average sales have tripled since receiving the loan (\$60,000 - \$180,000). José has his degree CPA in accounting. He is very business oriented and reinvests 90% of the earnings back into the business. He pays a training school to give courses to his employees, especially the sales people who travel around the country marketing his products. He expects his earnings to keep increasing and is currently expanding his smoking houses. A generator has been bought that ensures full-operating capacity.

Impact on Entrepreneur and Family

With part of the earnings from the Carnicería, José has initiated two other businesses. One is a factory that makes condiments for his products and another firm is a consulting firm. Both have been started in the past year and are moderate to successful. As he has put the majority of the profits back into the Carnicería and into opening new businesses, only minor improvements have been made at his home. He lives comfortably but not extravagantly. The purchases that have been made are for business use as well as personal use; ie. 2 cars have been purchased.

FIDE Loan

This is a Non-CAT loan through the Banco de Reservas, he has had no problem with the loan program. He says the Program is very beneficial and has helped his business increase enormously.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Dencil Ledesma Pimentel</u>
Name of Enterprise:	<u>Dencil Ledesma Pimentel Panadería</u>
Institution:	<u>Non-CAT-Banco Continental de Des.</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>N/A</u>
Year and Amount of Last Loan:	<u>1983, 50,000</u>
Purpose of Loans:	<u>Fixed Assets/Purchase Equipment</u>
Total Number of Workers at time of First Loan:	<u>19</u>
Total Number of Workers at Present:	<u>24</u>
Gross Sales at time of First Loan:	<u>17,230 monthly</u>
Gross Sales at Present:	<u>50,000</u>

A Brief History of the Enterprise and Evolution of
the owner's family welfare from the First Loan to the Present

CASE HISTORYImpact on Business

Mr. Pimentel opened his bakery in 1982 after seeing that there was a need for one in his area. He noticed a lot of cars passed by his potential site and he began his operations with very little capital. By the time he had received the loan in 1983 for 50,000 pesos, he had a total of 119,500 pesos in fixed assets, 130,000 in total assets and 19 employees at full time. Currently, there are 24 full-time employees. and total assets are at 200,000 pesos. Fixed assets are valued at 130,000, a big increase in total assets since receiving the loan. He is very optimistic about the future and expects his earnings to increase. Currently, his monthly sales average 50,000, an increase of \$32,770 monthly. His business is very successful.

Impact on Family/Entrepreneur

As a result of the earnings of his business which he attributes a great deal of his success to the FIDE loan, he has bought a house, two of his children are in the university, and the other two are in private schools. He has 2 cars now, none before the FIDE loan. He has traveled to New York for business/vacation and is no longer worried about financial problems. He can always place his hands on some cash if an emergency comes up.

FIDE Loan Program

He is very happy with the program and says he owes a large amount of his success to the financial backing provided through FIDE.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Lewis H. Kent</u>
Name of Enterprise:	<u>Multicopias, S.A.</u>
Institution:	<u>Non-CAT-Banco de Desarrollo Dom.</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>N/A</u>
Year and Amount of Last Loan:	<u>1983, RD\$7,000.00</u>
Purpose of Loans:	<u>Purchase Equipment</u>
Total Number of Workers at time of First Loan:	<u>5</u>
Total Number of Workers at Present:	<u>4</u>
Gross Sales at time of First Loan:	<u>7,000.00 monthly</u>
Gross Sales at Present:	<u>9,000.00 monthly</u>

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CASE HISTORYImpact on Business

Lewis Kent, U.S. citizen, served in the U.S. Marines that landed in the Dominican Republic in 1965. He remained after that year, married and had children. In 1980 he bought a photocopying store as a secondary activity. In 1982 he needed funds to purchase a paper cutting machine and he had heard about the FIDE program through a friend. In 1983 he received a 7,000 peso loan for a 6 year period. Since receiving the loan nothing really has increased or decreased, ie. the volume of sales, fixed assets, amounts purchased, etc. 5 people were working at the business at the time he received the loan. 4 are currently employed full time. Lewis works at the telephone company full-time (CODETEL). He is content for now at how the business is being operated. He is thinking of expanding in the coming year and taking more of an ambitious, aggressive campaign to open his sales market. For the past 3 years they have basically worked with the same clients.

Impact on Entrepreneur and Family

The standard of living hasn't changed considerably since receiving the loan. Minor home improvements have been made. Their oldest child is in the university. They have a newer automobile now but not as a result of this business. More has come as a result of his salary that he receives from CODETEL.

FIDE Program

Improve in the Public Relations Aspect of the FIDE Program.

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ENTERPRISE SYNOPSIS

Name of Owner:	<u>Xiomara Tavares</u>
Name of Enterprise:	<u>Ambiente Decoraciones</u>
Institution:	<u></u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>N/A</u>
Year and Amount of Last Loan:	<u>1986 RD\$30,000</u>
Purpose of Loans:	<u>Working Capital/Expansion</u>
Total Number of Workers at time of First Loan:	<u>12</u>
Total Number of Workers at Present:	<u>16</u>
Gross Sales at time of First Loan:	<u>35,000 monthly</u>
Gross Sales at Present:	<u>50,000 monthly</u>

A Brief History of the Enterprise and Evolution of
the owner's family welfare from the First Loan to the Present

CASE HISTORY

Xiomara Tavares is the owner of Ambiente Decoraciones, an outlet for products from her furniture factory. She received a loan of \$30,000 in 1986 to expand the furniture line and for working capital. Her products are also sold on a limited basis to other shops in Santo Domingo. This is a very successful business, the results of this loan have not changed Xiomara's lifestyle.

During the time of the loan sales have increased 43% and income by 11%. She has been able to hire 4 additional employees. She suggests the program could be improved by getting the loan money to the recipient on a more timely basis, and if the program was promoted more aggressively.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Arg. Eduardo Lora Bermúdez</u>
Name of Enterprise:	<u>Arte Vitral</u>
Institution:	<u>Banco Continental de Desarrollo</u>
Province:	<u>Santo Domingo (Non-CAT)</u>
Year and Amount of First Loan:	<u>N/A</u>
Year and Amount of Last Loan:	<u>1982 RD\$11,000</u>
Purpose of Loans:	<u>Fixed Assets/Equipment</u>
Total Number of Workers at time of First Loan:	<u>11</u>
Total Number of Workers at Present:	<u>19</u>
Gross Sales at time of First Loan:	<u>7,800 monthly</u>
Gross Sales at Present:	<u>17,427 monthly</u>

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CASE HISTORYImpact on Business

Eduardo Lora recently purchased Arte Vitral (in August of 1986). The owner before him solicited the FIDE loan through the Banco Continental de Desarrollo, receiving 11,000 pesos in 1982. The loan matures in 1988. Mr. Lora will continue making the payments as part of the contract.

Since receiving the loan, Arte Vitral has increased their monthly sales from 7,800 to 17,427 currently. Total costs, fixed assets and total assets have all jumped by large margins. Full-time employees have increased by 4 and they have also added 4 part-time employees since 1982. The firm makes stained glass and they have a large clientele. The future looks very optimistic for Arte Vitral.

Impact on Family/Entrepreneur

Since Mr. Lora was not the original solicitor of the FIDE loan and he just recently purchased the firm - no discernable impact has been noticed in his standard of living.

FIDE Program

Not enough knowledge to comment on the program.

ENTERPRISE SYNOPSIS

Name of Owner:	<u>Ing. Francisco R. Jorge Cello</u>
Name of Enterprise:	<u>Lonsca Construcciones, C. x A.</u>
Institution:	<u>Non-CAT - Banco de Reservas</u>
Province:	<u>Santo Domingo</u>
Year and Amount of First Loan:	<u>1985 RD\$20,000</u>
Year and Amount of Last Loan:	<u>1986 RD\$70,000</u>
Purpose of Loans:	<u>Comb. Equip. + Working Capital</u>
Total Number of Workers at time of First Loan:	<u>17</u>
Total Number of Workers at Present:	<u>30</u>
Gross Sales at time of First Loan:	<u>44,400 monthly</u>
Gross Sales at Present:	<u>82,000 monthly</u>

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CASE HISTORY

Impact on Business

Francisco Cello began his construction business in 1979. In 1985 he received his first FIDE loan through the Banco de Reservas with which he purchased large quantities of cement and paid labor costs. Monthly average sales before receiving the FIDE loan were at 44,400. Currently, they are at 82,000 monthly. His fixed and total assets and the number of employees have also increased substantially. Francisco makes electrical cement poles and works primarily with government contracts. He also builds ready-made houses in Santiago de los Caballeros.

Impact on Family/Entrepreneur

Since receiving the loan Francisco's standard of living has improved. His family moved from the interior to Santo Domingo and now their house is in a nice urban area. His wife has just recently received her university degree and they have traveled to the States on business for their company. As his wife says, "by moving into the capital, so much more is available to you, better education for the kids, quality of food and a richer cultural life".

FIDE Program

This is a Non-Cat loan through the Banco de Reservas. They received their disbursement within 2 weeks of soliciting the loan. The beneficiaries do not experience the frustration (delay) as do those through the CATS. They're very content with the program and urge others to solicit from the program (Non-Cat).

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ENTERPRISE SYNOPSIS

Name of Owner:	<u>Jenny Martínez</u>
Name of Enterprise:	<u>D'Elegant Manufacturing, S.A.</u>
Institution:	<u>Banco de Desarrollo</u>
Province:	<u>Santiago</u>
Year and Amount of First Loan:	<u>N/A</u>
Year and Amount of Last Loan:	<u>1986 RD\$37,600</u>
Purpose of Loans:	<u>Working and Fixed Capital</u>
Total Number of Workers at time of First Loan:	<u>0</u>
Total Number of Workers at Present:	<u>12</u>
Gross Sales at time of First Loan:	<u>0 monthly</u>
Gross Sales at Present:	<u>6,000 monthly</u>

A Brief History of the Enterprise and Evolution of
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CASE HISTORY

Mrs. Martínez is a 29 year old assertive, confident business woman. She gives one the impression of competence and professionalism that leaves no doubt that she would succeed in most every endeavor she would choose to attempt. She used this loan to begin the clothing business. She now employs 12 women who sew or assemble the clothes and already has plans to expand that number. She has been able to give her employees bonuses and vacations. Also, as a result of working for her, some of her employees have been able to afford, for example a new dining room set, new refrigerators, and in another case a new television. She feels that the only problem with working with FIDE is that they don't give enough technical assistance especially in the area of handling money.

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ENTERPRISE SYNOPSIS

Name of Owner:	Rosario Bordas
Name of Enterprise:	Mimosa, S.A.
Institution:	Banco de Desarrollo "FINADE"
Province:	Santo Domingo
Year and Amount of First Loan:	1985 \$50,000
Year and Amount of Last Loan:	N/A
Purpose of Loans:	Purch. Machine/Modify Store
Total Number of Workers at time of First Loan:	25
Total Number of Workers at Present:	16
Gross Sales at time of First Loan.	200,000 annually
Gross Sales at Present:	500,000 annually

A Brief History of the Enterprise and Evolution of
the owner's family welfare from the First Loan to the Present

CASE HISTORY

Miss Rosario Bordas makes women's clothes which she sells in her store "Mimosa", S.A. The quality of her clothes is excellent and all 16 of her employees are women. Her 1985 loan for RD\$50,000 was used to purchase new machines and to modify the store.

Since receiving the loan, Miss Bordas sales and fixed assets have doubled. Also, with her increased earnings she has been able to buy a new car. Miss Bordas is most pleased that as her business has grown she is able to give her employees many benefits including social security and training. In the future as her earnings increase Miss Bordas wants to amplify the business.