Research Project Title: Comprehensive Microfinance Research in Masaya, Nicaragua
Location: Masaya, Nicaragua
Research Topic: Microfinance
Partner Organization: Foundation for Sustainable Development and Alternativa

Description of FSD: Foundation for Sustainable Development is an international development organization that seeks to support communities in achieving their goals through asset-based development and international exchange in Africa, Asia, and Latin America. FSD provides opportunities for students and professionals to engage in real community development work—instead of a typical study abroad or drop-in service project program. FSD works in six countries, and for more than two decades has supported more than 250 community partner organizations and trained more than 3,000 volunteers. Its community development efforts have maintained an ongoing project sustainability rate of nearly 80 percent, addressing health, social, environmental, and economic issues by responding to community priorities and offering training, grants, and volunteer support to community partners.

Description of Community Partner: Since 1999, Association for Equitable Economic Development (Alternativa) has worked to find solutions to poverty in Nicaragua through promoting the micro, small and medium business model (MIPYME). Alternativa’s mission is to promote entrepreneurship through the development and management of small business loans for men and women. It works to strengthen and expand the financial resources available to all community members, and provides equitable support and services through finance education and economic empowerment. Alternativa also actively supports gender equality and women’s rights; the majority of its clients are women, and female staff members enjoy a balanced work environment.

Social Issue: One of the many factors underlying Nicaragua’s poverty is an overwhelming lack of financial resources for its citizens: many do not have the initial capital needed to get loans from banks, nor institutional support to develop and succeed in their businesses. In 1990, microfinance organizations began forming in Nicaragua, initially with the idea to provide poor clients with financial education and credit to start businesses. However, the majority of these microfinance organizations have gradually become loan companies that specialize only in credit. Alternativa seeks to change this contradiction through its own practices, emphasizing teaching and training, cooperative assistance and community banking groups, and very low interest rate loans.

Research Project Description: Alternativa is seeking an individual to research local microfinance organizations, statistics, methods, models, and outcomes in order to more fully understand the situation of microfinance within Masaya, Nicaragua. Much of the material and resources needed to begin such an investigation is documented in the Alternativa offices, but human resources are not available to conduct the extensive analysis needed to produce findings, evaluations, and recommendations. Additionally, this researcher will help in the assessment and evaluation of the current state, causes, and impacts of poverty at the local
level, thus helping Alternativa understand root causes to the poverty they are striving to overcome.

**Methodology:** The research would combine quantitative and qualitative methods. Data collection methods will include interviews, surveys, focus groups, and online research and any other methods deemed appropriate through interactions with Alternativa and the community.

**Community Impact:** This research is crucial in ensuring that Alternativa is able to more comprehensively serve community members in Masaya.

**Student profile:** The researcher should have an intermediate level of Spanish. Additionally, the researcher should have a background in research methodologies and basic development theory. He or she should also be studying economics, statistics, marketing, or business.