

Giving to a Group instead of an Individual

In the Kiva community, lenders have the choice of loaning to individuals entrepreneurs who are working to start their own businesses or to groups of entrepreneurs who have joined together to start one business or to support one another as they each begin their own businesses.

While loaning to individuals often seems more personal and rewarding, loaning to groups is often safer for lenders. As we work to decide where to loan our Kiva funds, we should consider the following advantages and disadvantages of loaning to groups:

<i>Advantages of group loans</i>	<i>Disadvantages of group loans</i>
<input type="checkbox"/> Giving to a group can change the lives of many people—including those starting new businesses as well as their family members.	<input type="checkbox"/> Loaning to groups seems less personal. It's hard to tell exactly who is getting the benefit of our good deed. If we loan to individuals, we'll know exactly who we're helping.
<input type="checkbox"/> Giving to a group often requires many Kiva lenders to come together as a team to raise enough money to fill a loan. This means we'll get to track who are partners are and what countries they come from.	<input type="checkbox"/> Loaning to groups means that we'll never be able to cover an entire loan to an entrepreneur by ourselves. We'll always have to find partners. It would be exciting to know that we were completely responsible for changing someone's life, and we won't get that opportunity with group loans.
<input type="checkbox"/> In group loans, every member of the group promises to support one another. If one businessman or woman is struggling, they will have the support of their neighbors and friends—making it more likely that their businesses will succeed.	
<input type="checkbox"/> In group loans, every member of the group works together to guarantee that the loan will be paid back. If one member's business fails, the other members will pay for their losses. If an individual lender fails, we won't get our money back.	

Working in your small group, consider the following questions:

- Can you think of any other advantages or disadvantages of loaning to a group?
- Overall, do you think the advantages of loaning to a group outweigh the disadvantages? Why?
- What do you like the best about making a loan to a group? What do you like the least?