

# LAXMI

Educating illiterate women about the long term benefits of micro-financing



Meet Shivani, Ayesha, Dipti and Kiri. They earn **under \$2 a day** and, like nearly **50% of Indian women**, they are **ILLITERATE**.

ILLITERACY

~~NO BANK  
LOANS~~

POVERTY  
CYCLE



## CURRENT SYSTEM MICRO-FINANCING

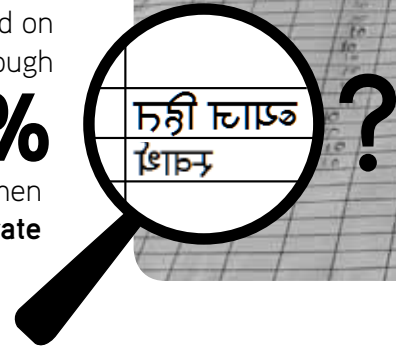
Employed by Self Help Groups in India



The system is based on a ledger, even though

**50%**

of Indian women are illiterate



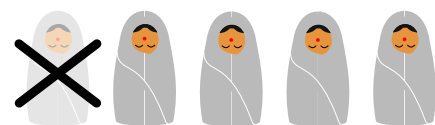
Attendance for all women is kept by the NGO helper, however the women can't read their own names.



The system is designed to make sense only for the Bank and the NGO helper.



**18 million women dropped the program in the last decade!**



As a result, 1 in 5 Indian women drop the program after their first year from lack of understanding and trust.

VS

## LAXMI



*Solution:*

LaXmi is based on making all financial transactions **VISUAL, VISIBLE and UNDERSTANDABLE** for the women.

*Solution:*

Each member is **responsible for keeping their own attendance** by placing their ID picture card on the board.

*Solution:*

Loans, interest, repayment dates and attendance **can be seen by anyone** around the LaXmi board

LaXmi: Educational Tool creates **COMMUNITY** and **MUTUAL CARE** as well as providing a **CLEAR MICRO-FINANCIAL SYSTEM**.



### CLEAR

Every person knows what is happening, regardless of their position around the board.

### FOOLPROOF

if someone makes a mistake, 15 others can double check

### HIGHLY VISUAL & TACTILE



#### User Testing:

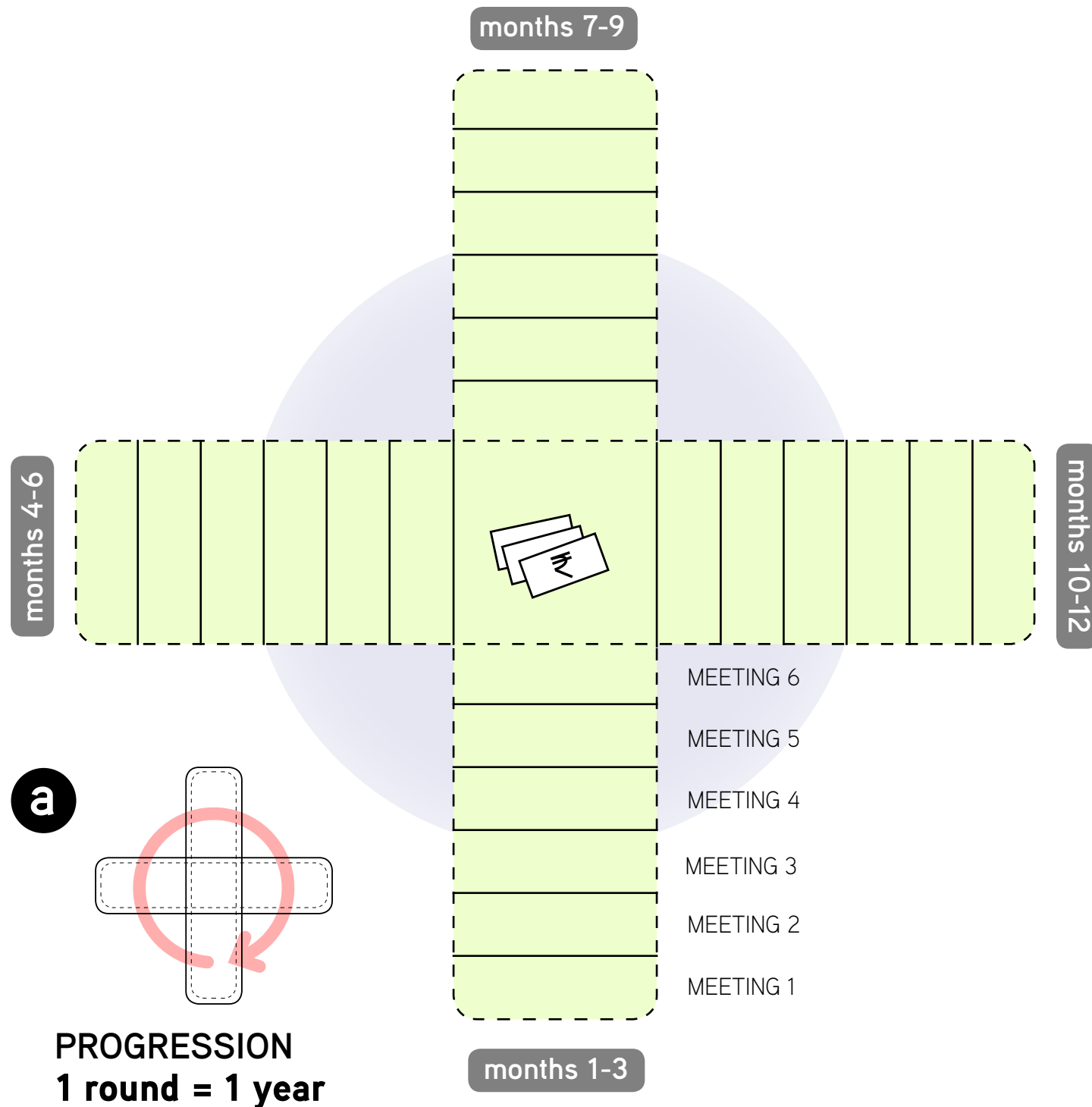
Women from Rajasthan, India, learning and performing loan transactions during a test session (January 2012)



### LOCALLY MADE

Local patterns and materials can be utilized in the making of the LAXMI boards, further **identifying the product with the user.**

# WHAT MAKES LAXMI A BETTER FINANCIAL EDUCATION TOOL?



## **b** CULTURALLY RELEVANT



### Inspiration:

Based on CHAUPAR, a traditional Indian floor game, LaXmi has been proven **effective as an analogy for a monetary ledger**, according to real tests in India.



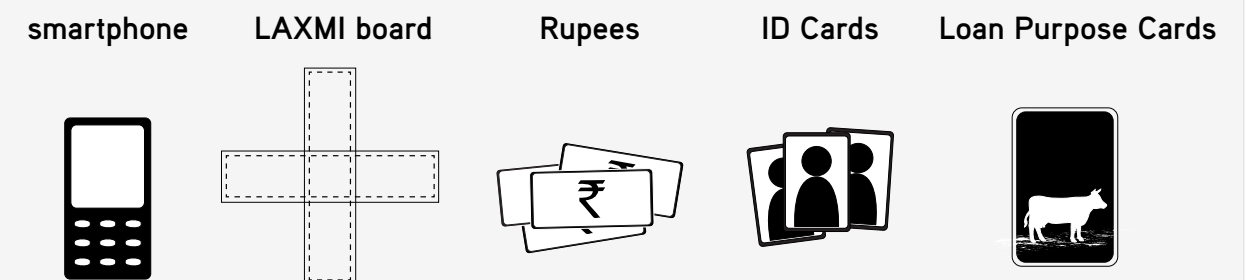
### The name:

The name LaXmi comes from **LAKSHMI**, the Indian goddess of **wealth and prosperity**.

## SIMPLE

ELEMENTS OF LAXMI - EDUCATIONAL TOOL

## **c**

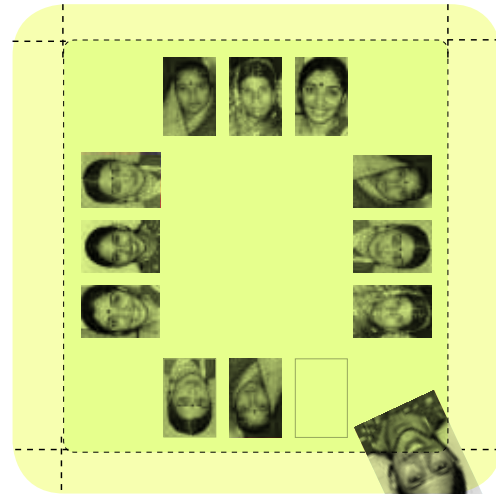


The elements needed to run the simulation are provided with the LaXmi Kit. The smartphone app is free to download and can be used in any Android platform.

# LOAN SIMULATION & INTEREST

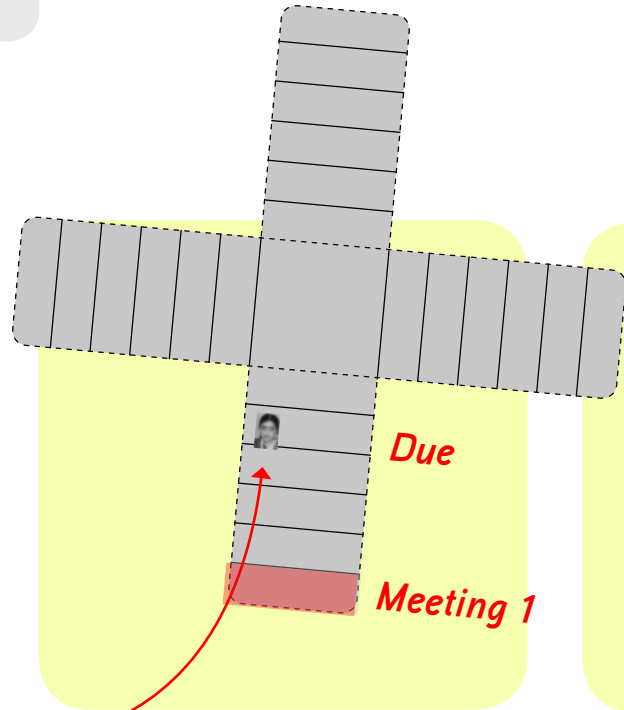


## ANNOUNCE YOUR NEED



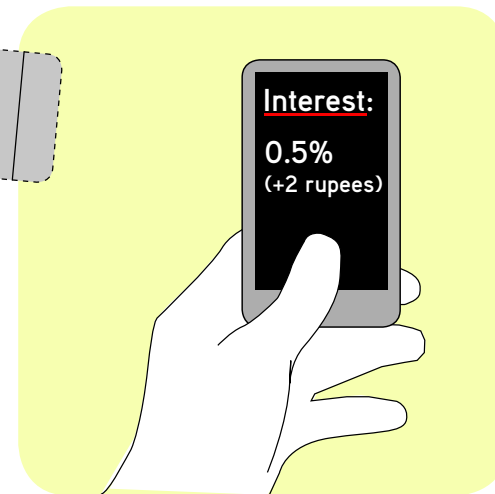
## GET A LOAN

Shivani wants to get a loan to buy a cow.



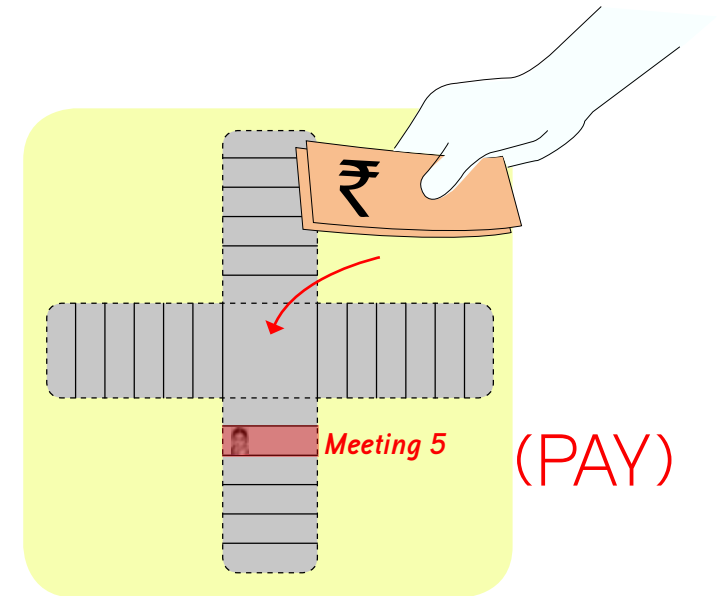
## PICK REPAYMENT DATE

She wants to pay it in 10 weeks.



## CALCULATE INTEREST

The NGO representative calculates the interest of the loan after 10 weeks



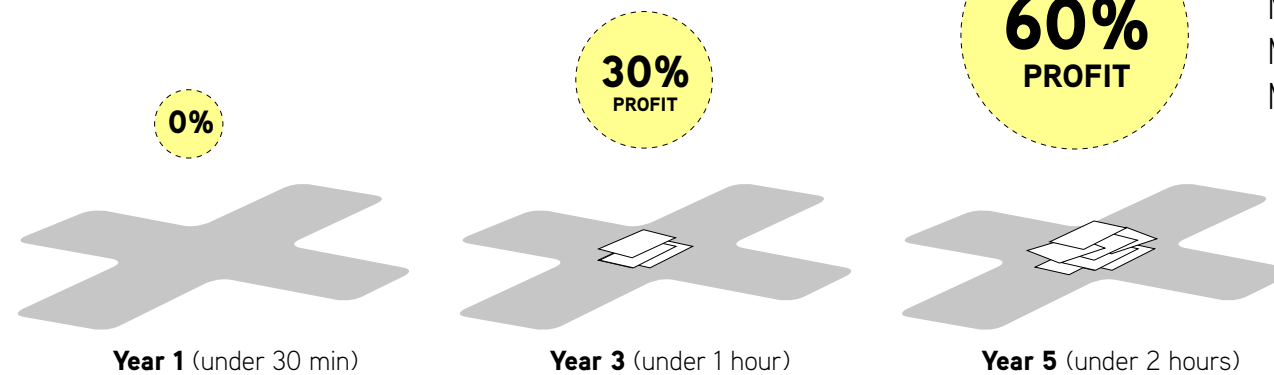
## PAY LOAN

By the 10th week (meeting 5) Shivani needs to finish paying off the loan + interest



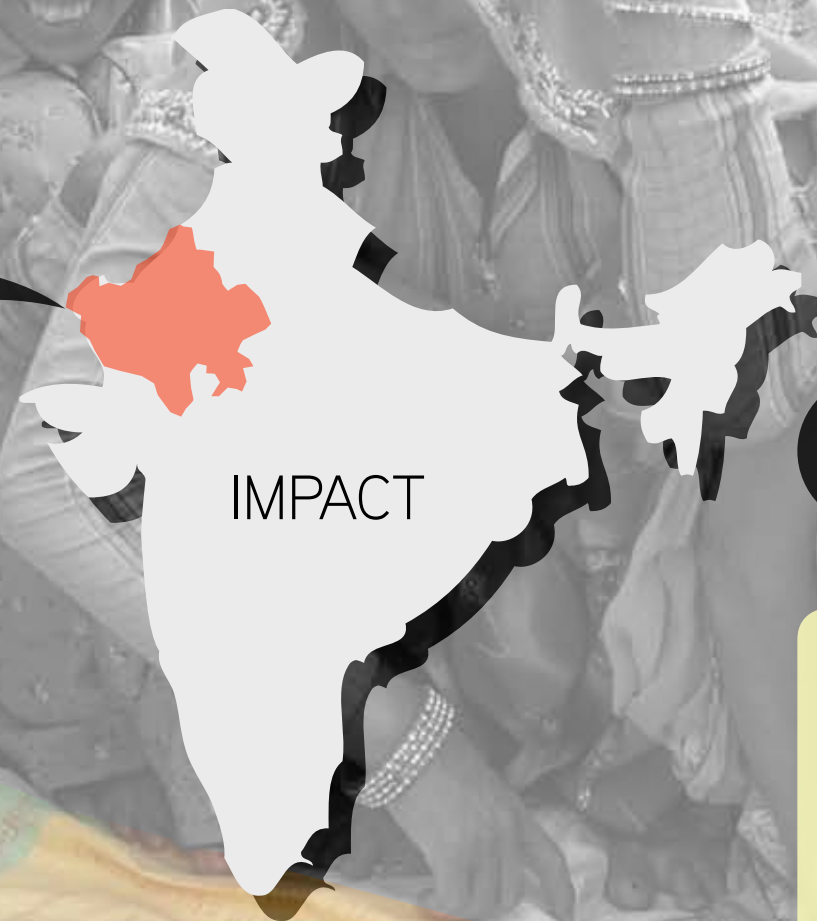
Screenshots of the Android app developed to assist the NGO helper in calculating interest and keeping up with any transactions within the group.

## SIMULATION PROGRESSION SHOWS REWARD



MORE LOANS =  
MORE INTEREST PAID =  
MORE PROFIT

It is already part of the training program for promotion of Self-Help Groups under the **Ministry of Women and Child Development in Rajasthan, India.**



**1.5 million women** will be using the system in the next decade

*"The system is effective because it has a very short learning curve and it's very transparent, even for women who can't read or write."*

**Uchhav Sharma**, Field Training Officer for Self Help Group Training since 1992

**LAXMI**