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Credit Needs Assessment of Private Practice Midwives

The Banking on Health Project *April 25, 2006*

By: *Mayada El Zoghbi*
Katie Frankford
Vivian Castro
Lisa Tarantino

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EXECUTIVE SUMMARY

According to some estimates, there are more than 60,000 practicing midwives in the Philippines today, a large percentage of which have some form of private practice activities.¹ These midwives are certified professionals and valuable members of their communities. Many are entrepreneurs running businesses and supporting their families. As business owners, they are a largely untapped market for lenders in the Philippines and represent a market opportunity for banks, credit cooperatives, and microfinance institutions (MFIs) that are interested in reaching out to this borrower group.

This Credit Needs Assessment of Private Practice Midwives is an adaptation of the Midwife Financing and Training Needs Assessment Report, January 5, 2006 of the Banking on Health Project. Banking on Health is a project funded by the United States Agency for International Development (USAID) with the goal in the Philippines of helping private midwife practices to grow by accessing external finance and improving their business management skills.² The Banking on Health project (BoH) offers training and technical assistance to private practice midwives interested in accessing finance and to lenders interested in financing this market.

In August – November 2005 BoH conducted the Midwife Financing and Training Needs Assessment to gather information for the design of future support for private practice midwives. The survey gathered valuable market information on midwives' demographics and financing needs. This information can directly feed into financial institutions' understanding of the market and corresponding ability to provide timely, appropriate micro and small business loans to private practice midwives. A sample of 513 valid surveys was collected from respondents from 15 of the 17 regions of the Philippines. They completed their own questionnaires, which were then analyzed by the BoH project.

Respondents were generally experienced microentrepreneurs, aged 43 years on average, with an average of 18 years of experience. The survey shows that these private practice midwives are making a living from their work and in most cases they bring home more than half of the total household income for the family. The average monthly business revenues were reported to be P14,444 per month (US\$267), while monthly expenses for businesses are slightly over P8,000

¹ Integrated Midwives Association of the Philippines (IMAP), 2005.

² See Attachment 1 for more information on the Banking on Health project.

(US\$148) on average.³ Average profits per month are P6,444 (US\$119).

Significant regional differences were found in income levels, with the midwives in the National Capital Region (NCR) earning much more than those in less economically vibrant regions. Those with private practice and no employment on the side reported an average income of P20,066 (US\$372) per month compared to respondents with some other employment earning less than that amount on average.

The vast majority of respondents - 89 percent - indicated that they had plans to grow their businesses through buying and selling new products in their clinics, expanding and refurbishing or obtaining Department of Health accreditation for their clinics. Notably, the highest percentage of respondents - 65 percent - identified lack of funding as one of the biggest obstacles to growth.

The majority of respondents indicated that they would like to borrow now for their business (73% of all respondents). The average loan size requested by those interested in a new loan for their business was P108,952 (\$2,017). With regard to monthly repayment, the average amount that midwives stated that they could pay, P5,643 (\$104) is consistent with business and household revenues and expenses identified. Thus, at this level of monthly repayment, the typical midwife would be able to repay her desired loan. This level of monthly repayment would translate into a loan term of approximately 2 years.

The survey indicates finance is demanded; yet only 17% of the sample had experience with borrowing for their business. Banks were the most common source of past borrowing, followed by family and friends. Other sources of loans included credit unions, co-ops and microfinance institutions (MFIs). The most common reason cited behind unsuccessful attempts at borrowing was that midwives did not know where to go for a loan. A large number of respondents, or 42% of those surveyed, own their own clinic, and the majority of midwives in private practice without outside employment have a guarantee to offer in support of a loan application.

The survey results have clear indications for financial institutions (FIs). Midwives have financing needs to grow their businesses, and these needs are realistic in terms of their repayment ability. They are interested in growing their family planning product and service distribution specifically, and yet they need help identifying sources of financing and understanding issues related to access to finance in order to make growth a reality.

³ The approximate exchange rate at the time of the survey is 1USD = 54 PhP.

SURVEY METHOD

The main objective of the original Banking on Health Midwife Financing and Training Needs Assessment was to determine 1) whether or not financing and/or training is needed by private practice midwives to grow their businesses and 2) if financing and training are needed, what types are most demanded and most needed.

Banking on Health developed the survey questionnaire, with input from survey specialists, business finance and training specialists and USAID Manila. The survey contained 47 questions. The aim was to receive responses only from those midwives who have some private practice activity to report, either as their full time business, or as a part time endeavor in addition to another job.

Banking on Health administered the vast majority of the surveys at the Integrated Midwife Association of the Philippines (IMAP) national convention in October 2005. The administrator explained the purpose of the survey, read the questions and answered questions, and then the respondents completed the anonymous survey questionnaire individually in front of the administrator. Surveyors had aimed to get a significant sample from each of the regions in the Philippines, and to achieve the best possible results given the limited budget and level of effort allocated. In the end, surveys were collected from 15 regions.

For additional details on the survey method, please see Attachment 2: Survey Method – Additional Details.

This review of the survey results analyzes the results in two groupings:

- Midwives with private practice as compared to midwives who are also employed in the government sector, whether exclusively or in combination with private practice. These are referred to as “Private Practice” or “solo-practice” midwives versus “Other Practices,” or “dual practice” and employed midwives.
- A comparison by region of variables such as the amount of the respondents’ experience, the number of years they owned a private clinic, income levels of the business, types of products and services offered and other relevant topics.

FINDINGS

Description of the sample

The vast majority of the sample, 88 percent or 452 of the 513 midwife respondents, indicated that they have some form of private practice, including women who are also government employees.⁴ A large portion - 211 midwives, or 41 percent of the total sample - indicated that they work exclusively in a private practice.

Age and professional experience

The average age of respondents is 43 years old, ranging from 19 to 71 years old. The average age did not vary for midwives with either private practice or government experience or both. The midwives' professional experience averaged 18 years, ranging from 2 months to 59 years.

Regional distribution of respondents

The surveys were administered to respondents from 15 different regions: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, the National Capital Region (NCR), the Cordillera Administrative Region (CAR) and the Autonomous Region in Muslim Mindanao (ARMM). The chart below illustrates the regional distribution of respondents as well as the breakdown of midwives into the following two categories: (1) private practice only; and (2) other, which includes government practice only and a combination of public and private practice. NCR and region 12 have the highest number of respondents with 18.5 and 12.5 percent respectively of total respondents. Region 9 has the lowest number of respondents with only 1.2 percent of total respondents.

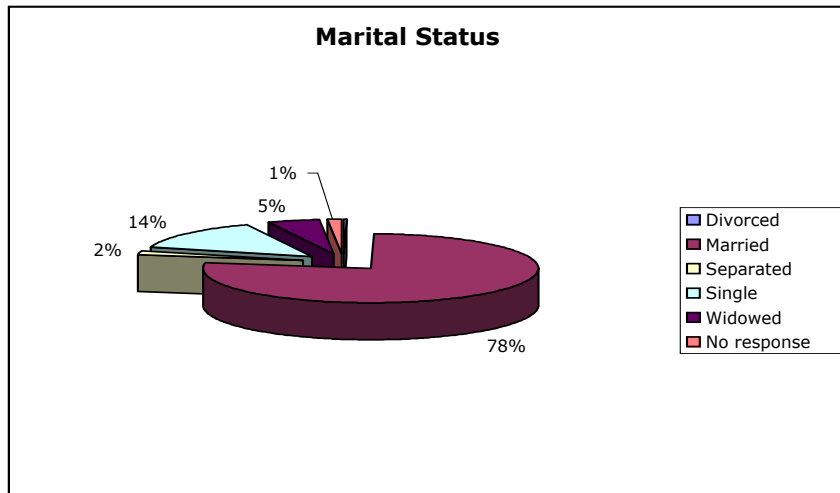
⁴ Note that it is likely that in reality a higher percentage have a private practice of some kind. In the survey a large number of respondents indicated that they had no private practice activity and yet went on to answer the entire questionnaire, including questions pertaining to a private practice. It is likely that there was some confusion on this question.

Regional distribution of respondents

Region	Total Sample	Percent	Private Practice	Percent	Private Only	Percent	Not Exclusively Private	Percent
1	38	7.4	32	84%	13	34%	23	61%
2	33	6.4	26	79%	7	21%	22	67%
3	28	5.5	25	89%	6	21%	19	68%
4	33	6.4	31	94%	18	55%	15	45%
5	17	3.3	14	82%	4	24%	12	71%
6	53	10.3	46	87%	10	19%	42	79%
7	38	7.4	36	95%	30	79%	7	18%
8	11	2.1	6	55%	1	9%	8	73%
9	6	1.2	4	67%	3	50%	3	50%
10	30	5.8	30	100%	30	100%	0	0%
11	21	4.1	16	76%	16	76%	0	0%
12	64	12.5	57	89%	12	19%	52	81%
NCR	95	18.5	87	92%	51	54%	43	45%
CAR	31	6	30	97%	7	23%	24	77%
ARMM	14	2.7	12	86%	3	21%	11	79%
Total (responses only)	512	99.8	452	88%	211	41%	281	55%
No response	1	0.2	0	0%	0	0%	0	0%
Total (Response plus No Response)	513	100	452	88%	211	41%	281	55%

Marital Status of Respondents

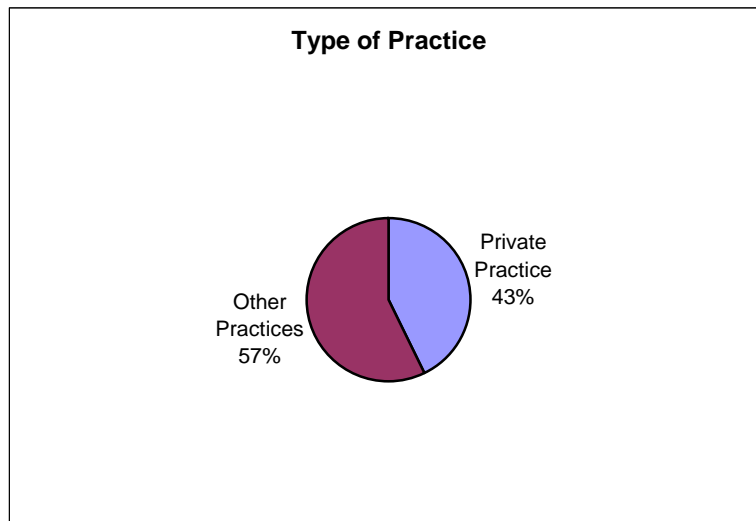
The majority of respondents are married (78%). Fourteen percent of the respondents are single.



Type of Practice / Ownership of Practice

Status of private practice⁵

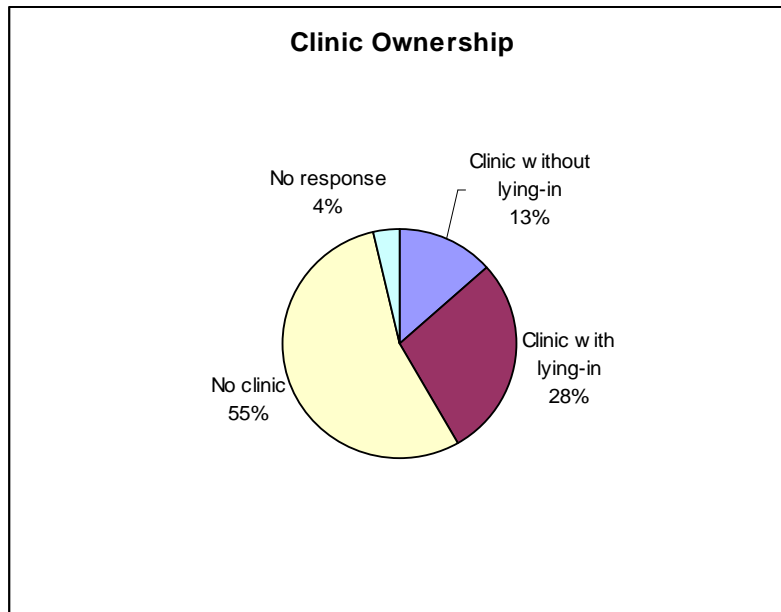
At least 88 percent of respondents – 452 of the 513 survey responses – have private practice activity. Forty-three percent of the sample, or 211 out of 513 respondents, engage in private practice only while 57% of the sample have some outside employment, either exclusively or in addition to private practice.



⁵ In the graph "Type of Practice," above, Private Practice represents solo practice midwives and Other Practices represents those such as dual practice midwives and midwives intending to start a private practice.

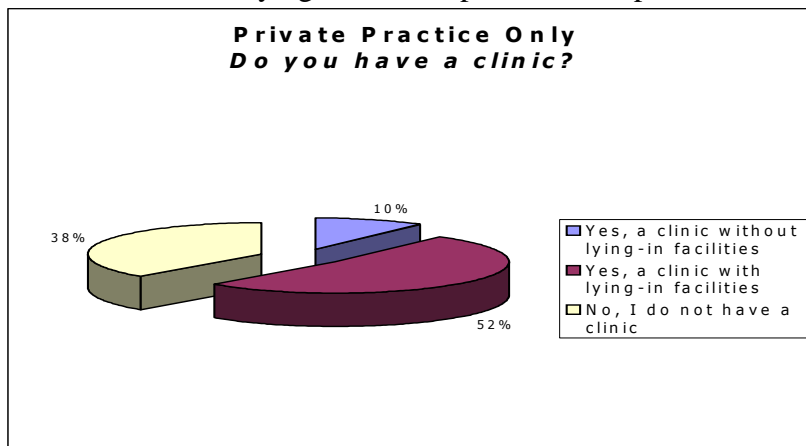
Ownership of private clinic

A large number of respondents - 214 of the 513 - have a private clinic. This represents 42 percent of the sample. The majority of these, or 28 percent of the total respondents, has a clinic with lying-in, while 13% have a clinic without lying-in.⁶ Presumably, most of the remaining 58% of respondents engage in home-delivery services.



Private practitioners and ownership of clinic

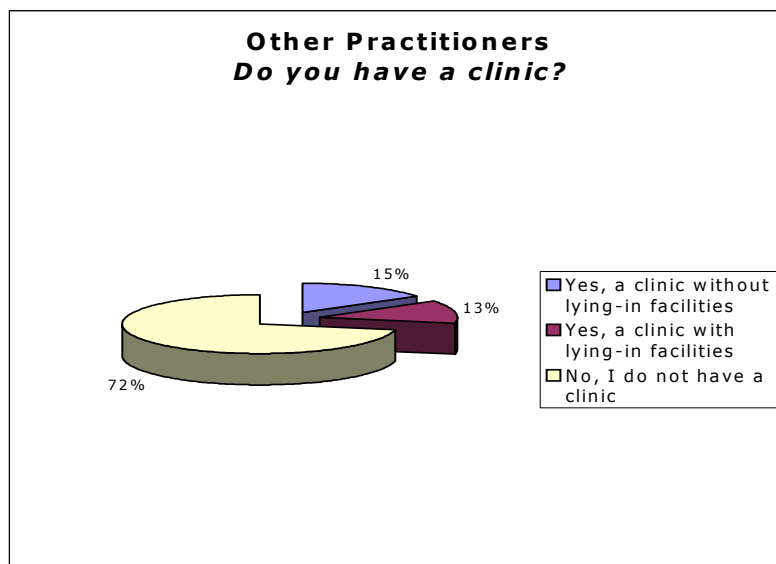
Of the 211 respondents who only have a private practice, 204 responded to the question on owning a clinic. Of these, 52 percent have a clinic with lying-in facilities (overnight facilities), 10 percent have a clinic without lying-in, and 38 percent of respondents do not have a clinic.



⁶ The definition of a clinic with “lying-in” is a clinic facility that allows patients to rest over night. Those without “lying-in” are ambulatory facilities.

Practice Type and Ownership of Clinic

The category ‘Other Practices’ refers to respondents who are entirely or partially employed in the public sector. Seventy-two percent of respondents who work in the public sector in some capacity do not own a clinic. The remaining 28 percent have government employment but also have a private practice clinic. Of these, 13 percent have a clinic with ‘lying-in’ facilities, and 15 percent have a clinic without lying-in facilities.



The duration of private clinic ownership ranged from one month to 33 years, with an average of 7 years.

Only 18 percent of private practices employ other people. This number is greater among private clinic owners, where 35 percent have employees.

Employees: clinic owners vs. total sample⁷

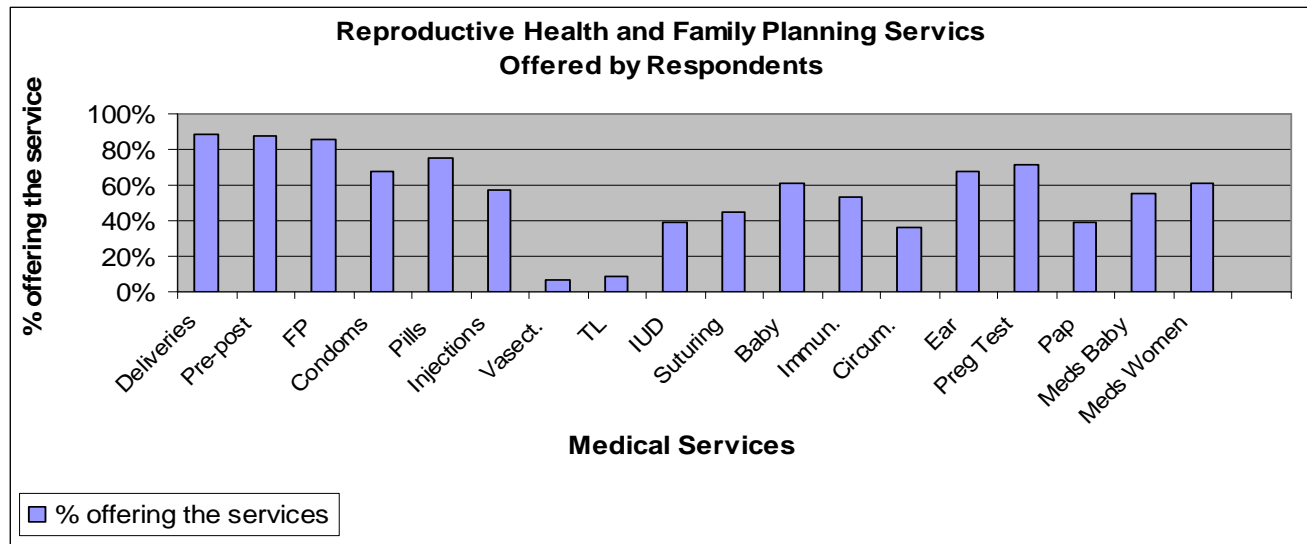
	Clinic Owners	Total Respondents
Employees	35%	18.1%
No Employees	65%	61.4%

⁷ Note that in this table and the following table, the column on the right refers to the percentage of total survey respondents. Not all respondents answered this question, thus the percentages do not add up to 100%.

Products and services

Common services offered by private practice midwives of include deliveries, pre and post-natal care, family planning counseling, family planning products, ear piercing, pregnancy tests, suturing and medicines.

All products and services offered	Percent of all Respondents	Private practice ONLY	Other Practices
<i>Deliveries</i>	89%	91%	87%
<i>Pre & post-natal visits</i>	88%	88%	88%
<i>Family planning</i>	86%	84%	87%
<i>Condoms</i>	68%	71%	65%
<i>Oral contraceptives</i>	75%	74%	76%
<i>Injectable contraceptives</i>	58%	54%	59%
<i>Vasectomy</i>	7%	7%	7%
<i>Bilateral tubal ligation</i>	8%	9%	7%
<i>IUD insertion/removal</i>	39%	41%	35%
<i>Suturing</i>	44%	50%	40%
<i>Well baby check-ups</i>	61%	61%	60%
<i>Immunization</i>	53%	45%	58%
<i>Circumcision</i>	37%	31%	39%
<i>Ear Piercing</i>	68%	69%	68%
<i>Pregnancy Tests</i>	72%	78%	66%
<i>Pap smears</i>	39%	44%	35%
<i>Over-the-counter baby medicines & vitamins</i>	56%	55%	56%
<i>Over-the-counter women medicines & vitamins</i>	61%	61%	63%
<i>Other</i>	7%		
Number of respondents	513	211	281



Experience

On average, respondents had over 18 years of experience working as a midwife. This was consistent for the entire population, including those with a private practice only. The average number of years for private ownership of a clinic was 7 years, with a 6-year standard deviation, but ranged from one month to over 33 years.

Income

Business Income

The average monthly revenues were reported to be P14,444 per month (US\$267), while monthly expenses for businesses are slightly over P8,000 (US\$148) on average. Average profits per month are P6,444 (US\$119).

Business expenses and revenues for midwives with private practice only versus those with government employment vary significantly. For those with private practice only and no government work, average revenue was reported as P20,066 (US\$372) per month and average expenses were P11,191 (US\$207). Consequently, the average monthly profit is approximately P9,000 (US\$167). For respondents with some form of government activity, either only a

government job or private practice in addition to a government job, average monthly business revenues were reported as P9,076 (US\$168) and expenses were P4,713 (US\$87). Net monthly profit for this group was approximately P4,000 (\$74) on average.

Household Income

Total household income, including the midwives' income, on average was reported as P22,971 (US\$425) while household expenses on average were reported as P12,860 (US\$238), leaving an average monthly profit at the household level of P10,111 (US\$187).

As with business data above, there are household income differences between those with private practices only and those with some form of government employment. Average monthly household income is P26,448 (US\$490) for those with private practice only and the average household income for those with some form of government employment is a lower P20,012 (US\$371).

Similar differences exist on the expense side for the households of midwives with private practice only versus those with some form of government employment – an average of P14,163 (US\$262) per month versus P11,701 (US\$217) per month.

Household Income	Mean (PhP)
<i>Private only</i>	26,448
<i>Other practitioners</i>	20,012

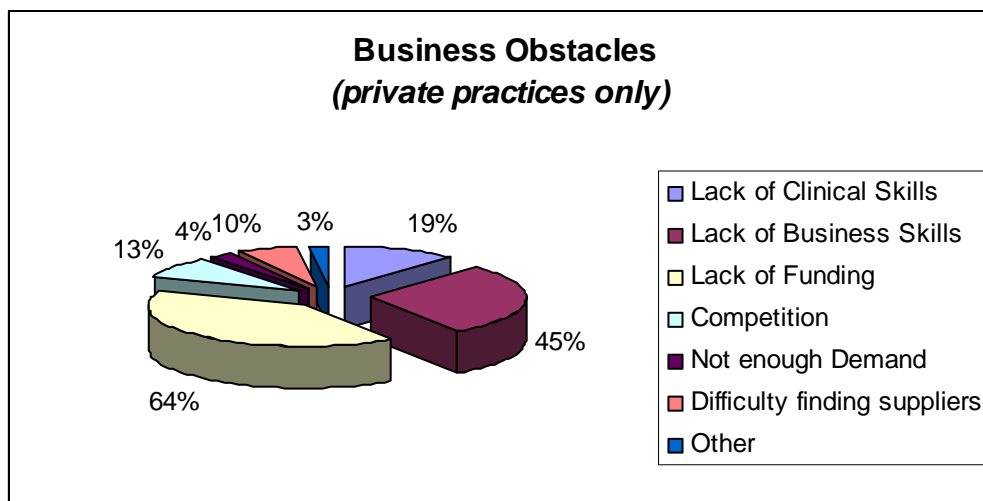
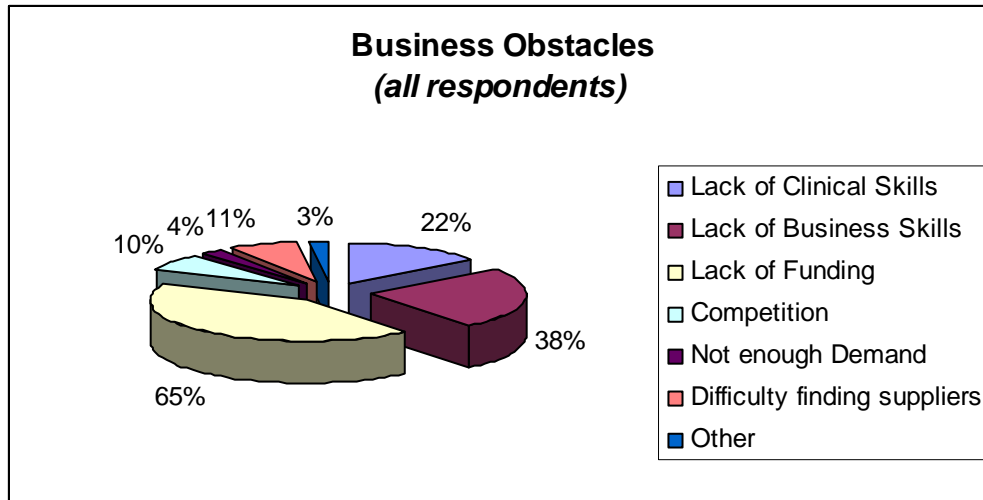
Household Expenses	Mean (PhP)
<i>Private only</i>	14,163
<i>Not exclusive private</i>	11,701

Business Growth

Obstacles to growth

The questionnaire allowed for multiple responses regarding the biggest obstacles midwives faced in running a successful and profitable business. Most notably, 65 percent of respondents

identified lack of funding as one of the biggest obstacles to growth.



Plans to grow business

Eighty-nine percent of respondents indicated that they had plans to grow their businesses. The largest number of respondents (45%) out of this group identified buying and selling new products in their clinics as a method by which to grow their businesses. This was followed by expanding and refurbishing the clinic itself (41% of respondents), obtaining accreditation for the clinic (40% of respondents), and purchasing new equipment (38% of respondents). Midwives with private practice only had a similar pattern of responses, with the exception of placing a higher priority on fixed asset purchase and improvement.

Plans to Grow Business	All Respondents	Private ONLY
<i>Expanding/refurbishing clinic</i>	41%	52%
<i>New equipment</i>	38%	43%
<i>Hiring new workers</i>	8%	8%
<i>Offering new products</i>	45%	48%
<i>Offering new services</i>	21%	22%
<i>Construction/purchasing land</i>	14%	19%
<i>Department of Health accreditation</i>	40%	50%
<i>Other</i>	3%	2%
<i>Not applicable</i>	<1%	0%
Number of respondents	513	211

Financial Knowledge

Preparation of financial statements

Thirty-seven percent of the sample answered that they are required to prepare financial statements. A similar pattern is observed for those with private practice only. However, almost one-third of respondents chose not to answer this question. This may indicate that these respondents either are unsure of the requirement, unsure of what is meant by “financial statement” or are operating in the informal sector and thus may be insecure about stating the requirements for their operations.

Are you required to prepare a financial statement?	All respondents	Private ONLY
Yes	37%	36%
No	33%	32%
Total	70%	68%
No Response	29.4%	
Total Number of respondents	513	211

On average, 35 percent of respondents prepare their own financial statements. There are no significant differences between ‘all respondents’ and the ‘private practice only’ categories. However, 48.7 percent of the sample chose not to answer this question.

Who prepares financial statements?	All respondents	Private ONLY
<i>Self</i>	35%	36%
<i>Accounting company</i>	4.7%	5%
<i>Friend/relative</i>	6%	7%
<i>Employee</i>	1%	0.5%
<i>Other</i>	1.9%	3%
<i>Not sure</i>	0.2%	0%
<i>Don't prepare statements</i>	2.5%	2%
Missing	48.7%	
Total Number of respondents	513	211

Credit

Credit History

Approximately half of those responding to questions on past experience with credit indicated that they had borrowed in the past. The majority of those that had borrowed did so for personal reasons. Only 86 respondents (17% of the entire sample) had borrowed for business purposes in the past. The most common business use of past borrowing was for renovations or expansion of the premises. Surprisingly, banks were the most common source of past borrowing (53 respondents or 10% of the entire sample), followed by family and friends. Other sources of loans included credit unions, co-ops and MFIs (12% of the entire sample).

Past Credit Experience

Among respondents that have borrowed in the past, the average number of loans taken out in the past was identified as four, although there was a large range among respondents. The average amount of the most recent loan was identified as P48,609 (\$900). The average monthly payment was P3,641.61 (\$67), and the average loan term was 1.5 years.

Respondents were asked why they had not borrowed in the past. Only 20% of the entire sample that had not borrowed had tried to do so in the past. The most common reason behind unsuccessful attempts at borrowing was that the respondents did not know where to go for the loans.

Reasons Behind Unsuccessful Borrowing Attempts

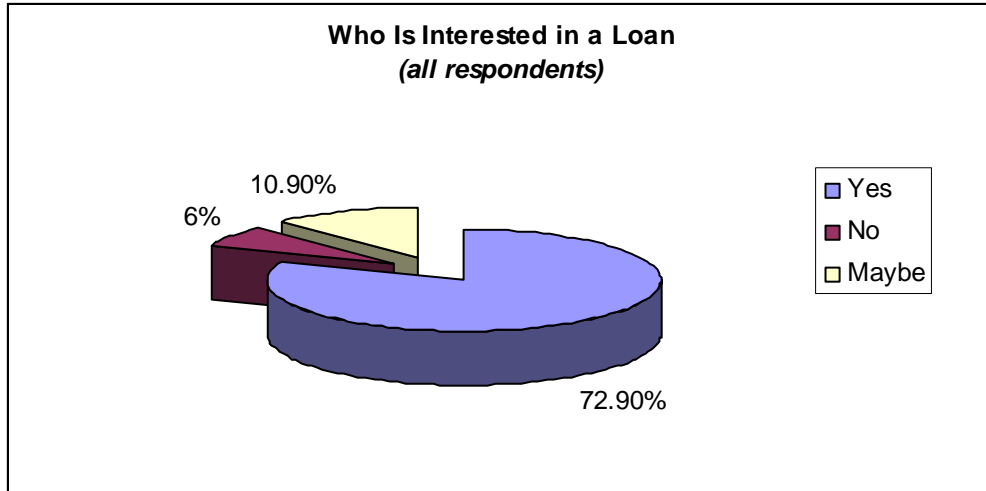
Why was the attempt to borrow unsuccessful?	All Respondents	Private ONLY
<i>Borrower did not know where to go</i>	19.1%	32%
<i>Financial Inst. would not lend to borrower</i>	3.9%	10%
<i>Another Reason</i>	6.6%	12%
Total	29.6%	54%
No Response	70.4%	46%
Total Number of Respondent	513	211

Demand for Credit

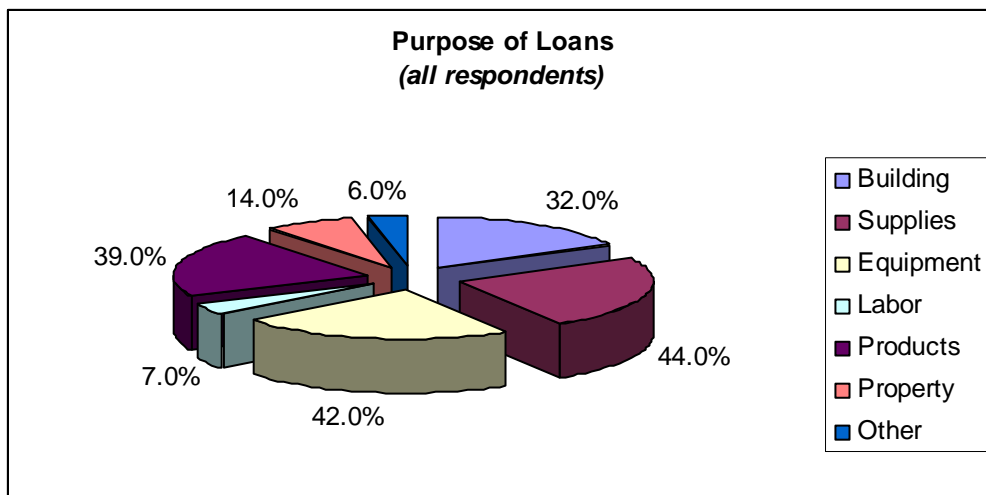
The majority of respondents indicated that they would like to borrow now for their business (73% of all respondents). Of those with only private practice, 74% indicated that they would like to borrow. The average loan size requested by those interested in borrowing a new loan for their business was P108,952 (\$2,017).

With regard to monthly repayment, the average amount that midwives stated that they could pay was P5,643 (\$104). This amount appears to be consistent with business revenues and expenses

and household revenues and expenses identified earlier. Thus at this level of monthly repayment, the typical midwife would be able to repay her loan. This level of monthly repayment would translate into a loan term of approximately 2 years.



Respondents could identify multiple uses for new business loans. The most common business uses identified by respondents were supplies, equipment and products. For example, respondents indicated that they would be interested in borrowing for the purpose of procuring contraceptives for resale. Renovation or expansion of property was also a frequent response.



Credit Guarantees

More than half of all respondents (53%) indicated that they had guarantees available to use to secure a loan. The most common types of guarantees available were land and co-signers/guarantors.

Types of Guarantees

What Type of Guarantee is Available?	All Respondents	Private ONLY
<i>Land</i>	26%	25%
<i>Building</i>	4%	4%
<i>Equipment</i>	9%	12%
<i>Co-signer</i>	24%	21%
<i>Other</i>	7%	5%
No. of Respondents	513	211

Regional Differences

Analysis was done by region on variables such as the amount of experience of the respondents, the number of years the respondents owned a private clinic, monthly expenses of the business, household income and household expenses to ascertain if there were regional peculiarities among midwives.

Prepare Statements

Respondents were asked whether or not they are required to prepare financial statements. The number answering that they are required to prepare financial statements was about equal to those answering that they are not required to prepare financial statements. Region 12 had the highest percentage of respondents stating that they do need to prepare financial statements whereas CAR had the highest number responding that they do not need to prepare the statements. The NCR region had exactly half responding that they do need to prepare statements and half responding that they do not need to. As this survey did not deal with legal issues surrounding a business's registration, it cannot be confirmed whether or not the varied result indicate confusion among the respondents in terms of reporting requirements for businesses or simply different legally mandated reporting requirements across regions and across businesses of various sizes.

Financial Statements – Required Yes or No

Region	Financial Statements Required	
	Survey Results by Region	
	Yes	No
1	25%	75%
2	44%	55%
3	42%	58%
4	61%	39%
5	59%	41%
6	30%	70%
7	64%	36%
8	20%	80%
9	67%	33%
10	50%	50%
11	71%	29%
12	77%	23%
NCR	50%	50%
CAR	13%	87%
ARMM	79%	21%
Total	191	171

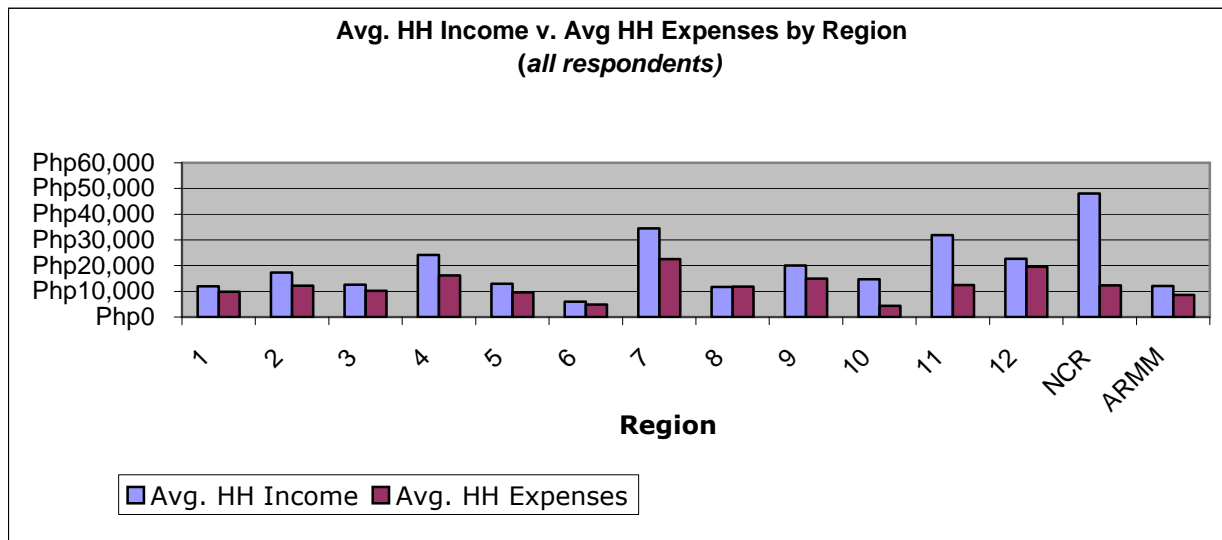
Training Needs

Respondents from the 15 regions were asked to indicate the areas in which they would like to receive training. The possible choices included such things as stock control, bookkeeping, financial management, finance, marketing, not applicable, “other”, and “not sure.” The results indicate that there is an overwhelming interest across all regions in both financial management and finance training. Also of interest among respondents were marketing, bookkeeping and stock controls.

Household income

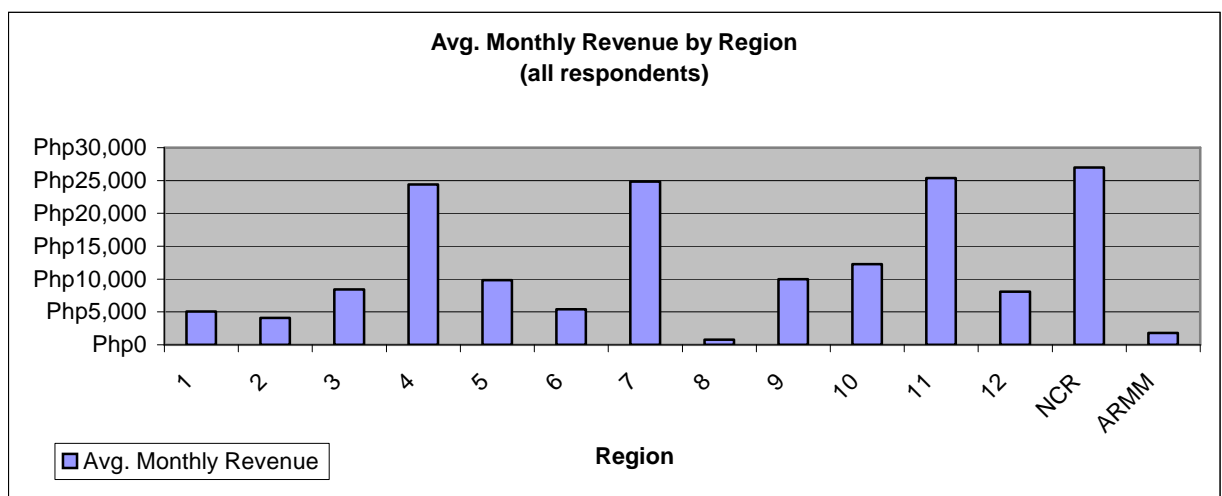
The average monthly household income for the entire sample was reported as P22,971 (US\$425). As would be expected, there are significant regional differences with regard to household incomes. NCR has the highest average monthly household income at P48,068 (\$890). The lowest average monthly incomes were reported in region 1, 6, 8 and ARMM.

As would be expected, household expenses also vary by region, with region 7 and 12 having the highest levels of expenses and region 10 and 6 with the lowest. Interestingly, despite being the highest with regard to household income, the national capital region (NCR) does not have the correspondingly highest level of expenses.



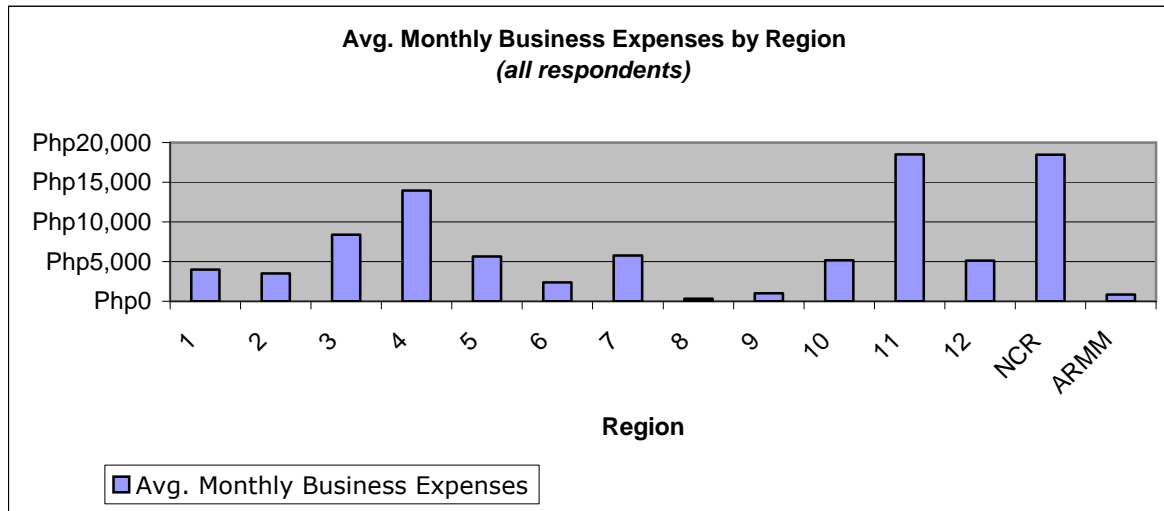
Business Revenue

The average monthly business revenue for the entire sample was reported as P14,444. For those with private practice only, the average was higher at P14,675. Looking at business revenue by region, we also see significant variances as with household income. Once again NCR has the highest levels, but regions 7, 11 and 4 are not far behind.



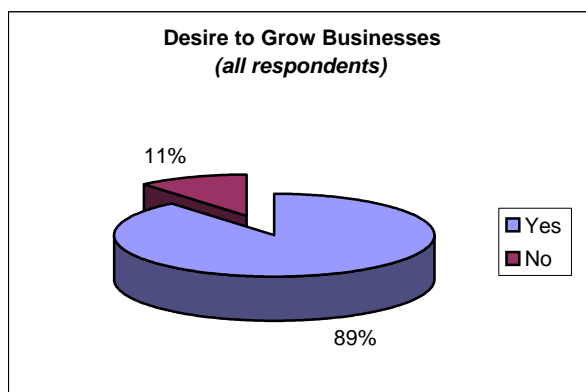
Business Expenses

The average monthly business expenses for the entire sample were reported as P8,099. For those with private practice only, the average is slightly lower at P8,058. By region, we see significant variances. Regions 11 and NCR report the highest monthly averages, with region 8 reporting the lowest.



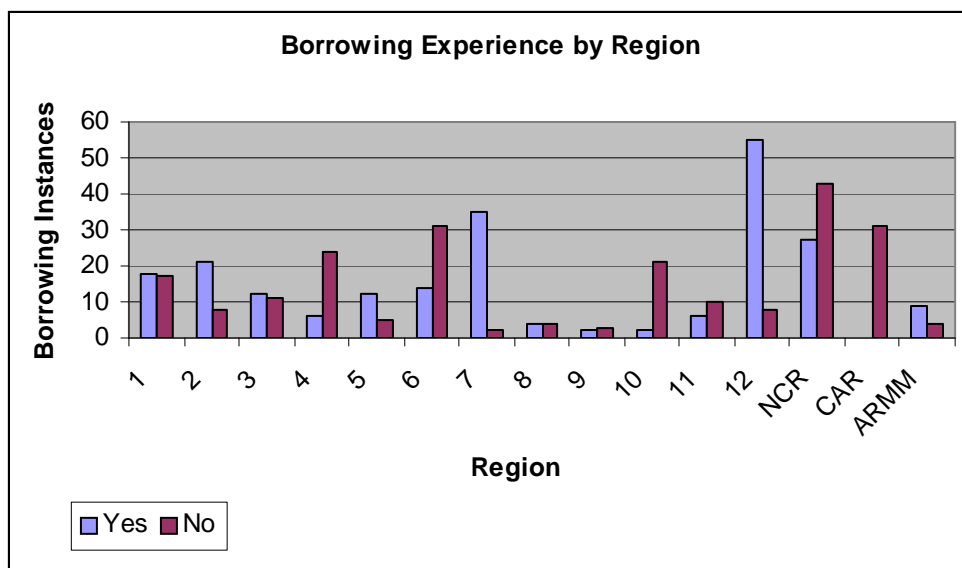
Growth of business

As indicated earlier, the vast majority of all respondents (89%) indicated that they want to grow their business. An even higher percentage was reported by those responding to this question that had private practices only (97%). With regard to regional differences on plans for growing their businesses, most respondents, regardless of region, indicated that they wanted to grow their businesses with few exceptions. Regional differences on this question were insignificant.



Credit Experience

With regard to previous credit experience, as noted earlier, approximately half of the overall sample indicated that they had borrowed in the past. When looking at this by region, we see significant variances. Regions 1, 2, 3, 5, 7 and 12 represent areas where midwives were more likely to have had previous credit experiences than not. Whereas region 4, 6, 10 and NCR there were more respondents indicating that they had no previous credit experience as compared to those in their region who had. Of note is the CAR region, in which none of the respondents have had previous credit experience. Sources of loans for those who did borrow included mainly banks, friends and family, but coops are also popular sources.



In addition to variations across the regions in terms of borrowing experience, we also see significant variance in the size of past loans by region. The ARMM region, with an average past loan amount of P4,500, (US\$83) has a significantly lower average amount than other regions. The highest average past loan amount was in Region 4, with an average of P135,000 (US\$2,500).

With regard to the number of past loans, respondents in region 9 had the highest number of past loans, with an average of 10. As noted above, the respondents from CAR had no previous experience and thus had 0 loans in the past. Other regions with limited past borrowing include ARMM and regions 2 and 4. Similar variances for monthly loan repayment and terms existed across regions.

The average loan period across all regions and all respondents was recorded as 18.85 months (1.5

years). There was a great variation in the period of loans when comparing each region's average. Regions such as region 7 and region 9 had an average loan period of 12 months (1 year) whereas region 10 had an average loan period of 60 months (5 years).

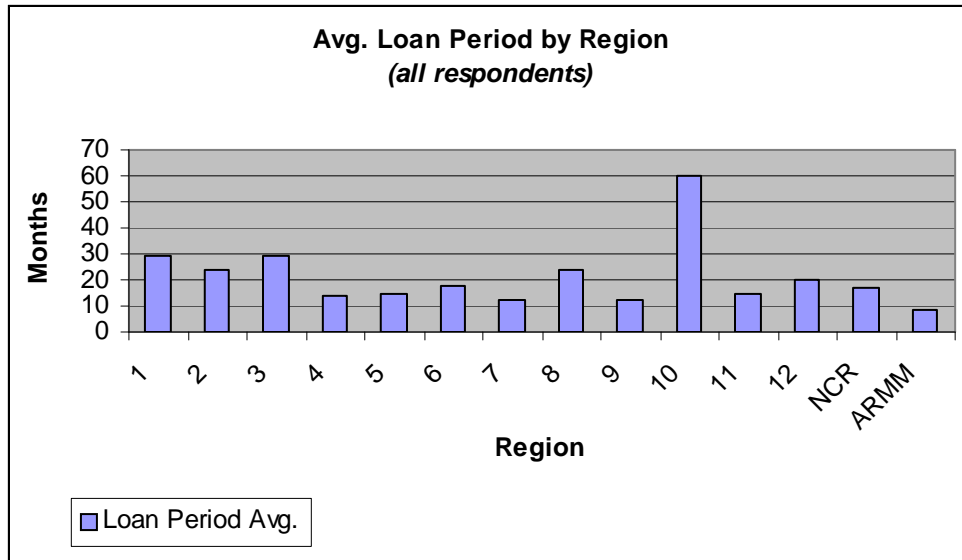


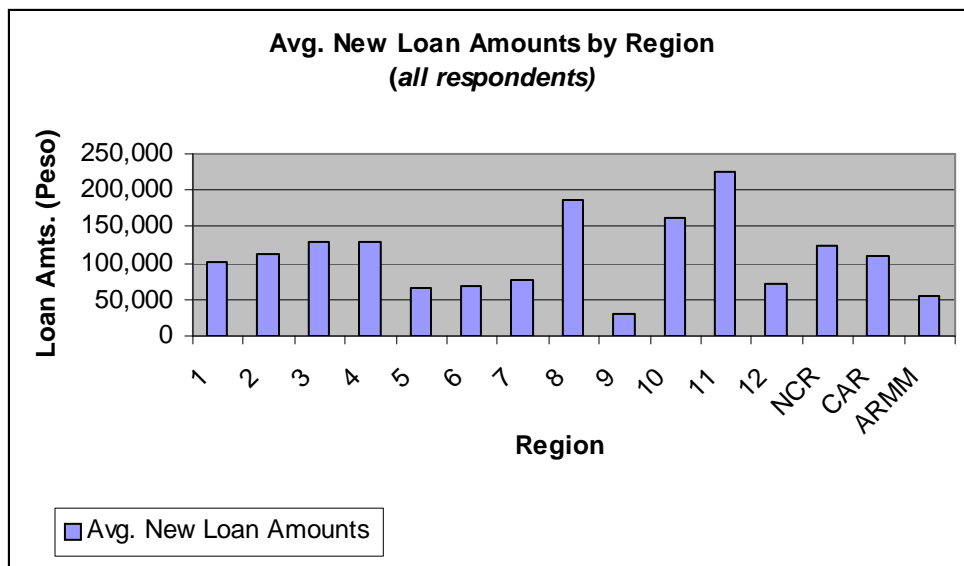
Table: Sources of Loans by Region

Region	Bank	Credit Union	Coop	MFI	Local 6-May	Family/Friend	Other	Not Sure	Total
1	17%	17%	11%	6%	0%	0%	50%	0%	18
2	28%	6%	33%	6%	0%	6%	22%	0%	18
3	10%	0%	50%	0%	10%	10%	20%	0%	10
4	0%	17%	33%	33%	0%	17%	0%	0	6
5	62%	0%	8%	8%	0%	8%	15%	0%	13
6	38%	13%	25%	13%	0%	13%	0%	0%	8
7	0%	3%	3%	3%	42%	42%	6%	0%	31
8	67%	0%	33%	0%	0%	0%	0%	0%	6
9	0%	100%	0%	0%	0%	0%	0%	0%	1
10	50%	0%	0%	0%	0%	0%	50%	0%	2
11	0%	17%	67%	17%	0%	0%	0%	0%	6
12	44%	2%	8%	0%	0%	42%	4%	0%	48
NCR	23%	15%	31%	8%	0%	15%	4%	4%	26
CAR	0%	0%	100%	0%	0%	0%	0%	0%	1
ARMM	13%	25%	0%	0%	0%	50%	13%	0%	8
Total Respondents	53	16	38	10	14	46	24	1	202
Percentage of Total Respondents	26%	8%	19%	5%	7%	23%	12%	0%	202

Demand for new loans

Demand for new loans was quite high for the entire sample (73%) and for private practice only respondents (74%). There were insignificant regional differences in demand.

With regard to amounts for new loans, the average requested by the entire sample was P108,952 (US\$2,018). As would be expected given regional differences in business revenues and expenses, there are significant regional differences with regard to the average loan sizes demanded by respondents. Regions 11 and 8 have the highest loan size amounts demanded, while regions 5, 6 and 9 have significantly lower loan size demands.



Guarantees

As noted earlier, 53% of the sample indicated that they had some form of guarantee to offer for a loan. Looking at this from a regional perspective, regions 3, 5, 6 and 9 stand out as areas where more midwives reported that they have no form of guarantee as compared to those who have a guarantee. Also of note are regions 3, 8, NCR, ARMM where the numbers of those who have and those who do not have guarantees from those regions were about equal.

Loan Guarantee by Region			
Region	Yes	No	Not Sure
1	79 %	12%	9%
2	75%	11%	14%
3	35%	45%	20%
4	61%	21%	18%
5	33%	40%	27%
6	30%	58%	12%
7	95%	3%	2%
8	50%	50%	0%
9	33%	67%	0%
10	100%	0%	0%
11	76%	24%	0%
12	78%	21%	1%
NCR	45%	42%	13%
CAR	76%	20%	4%
ARMM	50%	50%	0%
Total	65%	27%	8%

Services by region

Respondents indicated that a wide variety of family planning and mother and child health services are available in nearly all of the regions. The exception to this is the CAR region in which no midwives reported offering several services.

Services Provided by Region (in percentages of responses from Region)																			
Region	responses from Region	Deliveries	Pre-post	FP	Condom	Oral cont.	Inject	Vasect	TL	IUD	Suturing	Baby	Immun.	Circum	Ear	Preg Tests	Pap	Meds Baby	Meds women
1	38	89%	87%	79%	71%	87%	68%	11%	13%	32%	39%	47%	61%	16%	66%	66%	26%	39%	50%
2	33	91%	76%	79%	64%	67%	52%	3%	3%	55%	24%	73%	55%	39%	67%	79%	12%	55%	61%
3	28	100%	96%	96%	68%	93%	71%	4%	14%	18%	75%	79%	71%	61%	96%	89%	50%	82%	86%
4	33	76%	91%	88%	67%	82%	67%	6%	9%	42%	61%	73%	70%	30%	76%	76%	52%	64%	70%
5	17	94%	94%	82%	82%	82%	65%	6%	18%	35%	47%	65%	59%	12%	53%	59%	41%	59%	65%
6	53	83%	79%	77%	51%	62%	32%	4%	0%	28%	11%	42%	45%	17%	47%	40%	11%	21%	34%
7	38	87%	89%	89%	82%	76%	32%	0%	3%	26%	16%	61%	18%	8%	76%	74%	29%	68%	66%
8	11	45%	55%	55%	27%	27%	27%	9%	0%	27%	27%	27%	27%	55%	64%	18%	9%	18%	27%
9	6	100%	100%	83%	50%	67%	17%	17%	17%	17%	17%	67%	67%	50%	83%	50%	67%	83%	67%
10	30	100%	100%	100%	100%	100%	97%	7%	13%	100%	53%	83%	67%	57%	77%	100%	87%	60%	80%
11	21	100%	90%	95%	86%	86%	86%	5%	19%	81%	76%	86%	95%	52%	71%	95%	86%	52%	57%
12	64	84%	94%	97%	83%	91%	81%	19%	13%	58%	58%	86%	78%	72%	70%	88%	58%	86%	89%
NCR	95	89%	84%	77%	48%	60%	48%	8%	8%	27%	67%	47%	40%	40%	71%	72%	39%	43%	47%
CAR	31	94%	90%	94%	77%	77%	52%	0%	0%	0%	0%	16%	23%	0%	55%	71%	13%	58%	61%
ARMM	14	100%	100%	93%	64%	64%	36%	0%	7%	36%	50%	100%	43%	43%	57%	43%	36%	79%	79%

CONCLUSIONS

Midwives in private practice are respected members of their communities, certified professionals, and business owners with financing needs to grow their businesses. These needs are realistic in terms of their repayment ability and are close to what is offered in the local financial markets. Most are earning a good revenue from their private practices, have years of experience, and have guarantees to offer, all of which are qualities that lenders look for in successful borrowers. Private practice midwives – both in solo and dual practice - are interested in growing their businesses with credit. With loans in the range of P30,000 – P250,000, they would like to make capital improvements to their clinics, purchase equipment and expand their family planning product and service distribution.

And yet the midwife market is currently underserved by lenders, which presents a unique market opportunity for those institutions interested in reaching out to this new market.

ATTACHMENT 1: THE BANKING ON HEALTH PROJECT

The Banking on Health Project (BoH) is Task Order 2 under USAID's Private Sector Program (PSP) Indefinite Quantity Contract (IQC), implemented by USAID's office of Population, Health and Nutrition. In the Philippines, Banking on Health activities are funded and managed by the USAID/Manila Office of Population, Health and Nutrition.

Globally, Banking on Health seeks to improve the ability of private sector health care providers to access credit, thereby improving their capacity to deliver high-quality reproductive health and family planning services. BoH increases access to financing by:

1. Working with local financial institutions to promote health sector lending. This work includes training, loan product development, market assistance and collaboration with USAID's Development Credit Authority (DCA) program.
2. Improving credit-readiness among private providers with training and technical assistance to improve business skills, package loans and post loan care.

The Banking on Health Project also manages the Summa Foundation, a not-for-profit investment fund, and its outstanding portfolio of health sector loans.

Banking on Health in the Philippines

Since February 2005, the goal of the BoH project in the Philippines has been to assist private practice midwives to expand and improve the delivery of sustainable reproductive and other health services by accessing appropriate, timely financing and technical assistance. The specific objectives are to:

1. Increase private practice midwives' abilities to manage their finances, identify financing needs, successfully apply for financing, and manage loan payments.
2. Strengthen financial institutions' ability to provide timely, appropriate small business loans to private midwives.

To achieve these objectives BoH provides training and technical assistance to financial institutions as well as to private practice midwives in collaboration with local partners.

For more information on the Banking on Health Project worldwide and in the Philippines see: www.BankingOnHealth.com.



Abt Associates Inc., in association with:
Banyan Global
ACDI/VOCA, Bitran y Asociados, and
IntraHealth International

ATTACHMENT 2: SURVEY METHOD – ADDITIONAL DETAILS

The following is additional information on the Survey Method that was employed for the implementation of the original Midwife Financing and Training Needs Survey.

The survey was pilot tested with 30 respondents in Metro Manila in August 2005. The results of this test led surveyors to change the wording of some questions, remove the request for the name of the midwife, and add additional questions. The final version of the survey, which more than 530 respondents completed, contained 47 questions. Banking on Health administered the survey in the Philippines during the pilot offerings of the “Financing the Private Midwife Practice” course, as well as with the assistance of the Integrated Midwife Association of the Philippines (IMAP.) The majority of the surveys were administered at the IMAP national convention in October 2005.

The administrator explained the purpose of the survey, read the questions, and answered any questions participants had. Respondents completed their own questionnaire. Some regional presidents of IMAP asked to take surveys back to their regions and mail them back after one or two weeks. Due to holidays in the Philippines during this time, there were some delays in collecting surveys related to this issue. However, BoH was able to reach more regions by conceding to this request, which improves the value of the survey.

After the initial pilot, the survey was translated by a professional translation firm into Tagalog with the aim of making the survey more understandable to respondents. However, at the IMAP convention, respondents showed little or no preference for the Tagalog version and in the end the association leader and BoH administrator made the decision to distribute most in the English version. There appeared to be little or no variation in the quality of the survey completion between those in Tagalog and those in the English language.

Completed questionnaires were collected and sent back to the Banking on Health project for compilation and analysis. Researchers did not include surveys in the analysis that were more than 50% incomplete, particularly those that answered “No, I have only a job as a midwife in a government or private institution” to Question 5 “Do you have a private midwife practice?” Some respondents gave that answer, and then went on to complete the entire questionnaire, including questions specific to a private practice. Researchers decided to input these surveys, as it is likely that these women were confused about the meaning of that particular question, considering the quality of the answers they gave in the rest of the questionnaire.