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### Saving Groups Provide Hope

A year ago no believed that savings groups were a viable concept; not the Diaconía Reformada staff here in the Dominican Republic or community group members either. Even I have to admit to having had some doubts. All group members wanted were microcredit loans, not a savings group. Not exactly a positive environment in which to start a new program!

#### **Some background**

Most people around the world *want* to save, they just don't have the discipline to do so *on their own*. This certainly is true for the poor in the Dominican Republic, where most people owe more money than they regularly earn. This means living with the tension of constantly having to pay off the urgent and put off other commitments to a future date.

#### **How did the savings groups get started?**

Three groups of 10-12 people formed in different communities and received training from a Diaconía staff person for several months. Each group made the rules that would govern how their groups operate. The most important decision to make was how much each group would save. Too much can cause some members to miss a payment, something that can wreck a group. Two groups decided to start saving 300 pesos



Yestá Jean-Louis, group leader from Villa Nizao

(US\$8.20) and another chose 500 pesos (US\$13.70) every two weeks. The funds are collected at meetings, and the entire amount is given to the person who needs it the most until everyone has had a turn. The entire cycle takes five to six months and is then repeated. Yestá Jean-Louis, group leader from Villa Nizao, says that the savings group gives them hope.

#### **What do people do with their savings?**

Many things, including buying a pig, covering expenses in their farm fields, buying and selling fruits and vegetables, traveling to Haiti to attend a mother's funeral, paying off debt, paying the bill for a C-section, and

more. *All important things, all done with their own money!*

Two groups continue to pressure for loans. Even though groups were told multiple times that the program has no loan fund and can't make loans, they thought that if they were successful in their savings groups then *surely* loans would be made! This tension continues to be present.

Savings groups alone won't transform a community. New, broader-based community committees have been formed to motivate and organize local efforts to solve problems.