

SEPTEMBER 2017

# FOSTER FAMILY LOANS

*program update*



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Thanks to the support of wonderful donors, Captivating, in partnership with the African Community Development Foundation (ACDF), has developed and implemented a unique and leading edge microfinance program specifically focused on placing orphaned children into stable forever foster families. As a charity, we don't really support an orphanage model as the way to address the needs of orphaned children. We believe, and research supports, that ideally all children need to be part of a normally functioning family unit – what we call a forever foster family.

*Welcome to the  
Captivating Forever Foster Family  
Micro-Loans Program.*

Here's how we got here.

# OUR KENYAN CHALLENGE



*A staggering 10% of Kenyan children become AIDS orphans;*

*Thankfully, lots of Kenyan families are willing to foster a child;*

*The challenge?*

*These families can't afford an extra mouth to feed and send to school;*

*It costs a family **US\$50 a month** to feed, clothe and school a child at a very basic level.*



Living in rural Kenya means there is a good chance you are struggling with poverty. With average families consisting of 10 people, including grandparents and 4 or 5 biological children, each day is a hand-to-mouth existence. 80% of families are agricultural farmers working an ever-decreasing plot of family land.

Added to this is the problem of an increasing number of children becoming orphaned. AIDS is claiming the lives of so many parents EVERY DAY. Because of this, one in ten children will become orphaned. The result – more orphans needing to be absorbed into already strained next-of-kin families, or these children becoming another Child Headed Household (CHH) statistic. It's staggering.

So, two major problems – **FAMILY POVERTY** and **AIDS ORPHANS WITHOUT A FAMILY**.

We can address these **TWO PROBLEMS** with **ONE SOLUTION**.

**Welcome to the Captivating Foster Family Loans Program.**

# OUR SOLUTION

African culture values family like no other. Also along with this culture is a strong desire to support their local community. Herein lies one of our greatest opportunities to address the critical issues facing orphaned children.

If you take a poll of a room of Kenyan adults asking them whether they would be willing to foster a child into their family, many would respond favorably. However, the very next point is where it all stops. They can't afford to do it.



We see a huge opportunity here. Experience will tell us, a child responds better when they are in a smaller family unit – having to live and adapt to normal family life with its rules, obligations, chores and everyday family struggles. But how do you make this happen?

One option (the easy one) is to offer a welfare handout to a family in exchange for them fostering a child. This “handout” would need to be US\$50 a month to feed, clothe and send the child to school. Unfortunately, this leads to an increasing “welfare” mindset, not to mention an ongoing need for funding that never ends.

**BUT WE SEE A BETTER WAY – a SUSTAINABLE solution.**

Captivating has developed and implemented, in partnership with the African Community Development Foundation (ACDF), a microfinance program specifically focused on increasing the income of families who are either already fostering an orphaned child or indicate a willingness to do so. Through a well managed microloans and support program, we are progressively increasing the monthly incomes of these orphaned focused families enough to support the costs of an additional child. In the process, it also helps to stabilize the existing family unit. So, the whole family and the orphan benefit.

Since implementing this program in 2013, the results show a solution that is working and expanding.

It costs on average US\$200 to provide a family in this program with a loan. Within 6-9 months, this loan is repaid and then lent out again. It's a gift that keeps on giving.

**US\$200 (helps 1 family)**

**US\$2,000 (helps 10 families)**

**US\$10,000 (helps 50 families)**



**Stabilize** a Kenyan foster family  
with a **small business loan**  
**Keep another orphan off the street**

**US\$200**

**Tax Deductible in:**

USA ✓

Hong Kong ✓



To qualify for this program, a family must be either (a) already fostering an orphaned child but struggling financially to keep it going, or (b) are prepared to foster a child upon being able to afford to do so.

Important to also note is that although we use the word “fostering” in this program, the reality is that these families consider this child to be adopted in their minds – this solution is forever.

You will see below the growth this program has seen over the past 12 months with 267 orphans now safe in families.

	up to 2016/17	up to 2015/16
Number of families helped by the program so far	329	193
Families currently in the program	265	176
Families who have left program - successful	46	6
Families dropped out of the program – unsuccessful	22	
Total orphans helped since program started	333	195
Orphans added to new families thanks to this program	70	44
Orphans already in loan families but now more stable	263	151

When a family comes to Captivating/ACDF for financial help, the conditions of the loan agreement and what is required of them are made very clear to them. Everlyne (Captivating project manager) and her staff are very diligent to ensure families use these funds as per the agreement and honor their loan repayments however, some families are not so disciplined - rather, they spend it and occasionally, drunk husbands take the money from the women. This behavior is not acceptable and as word travels, families understand that honoring their agreement is most important and their reputation in the community could be tarnished if they don't. It does result, however, in some loan defaults (currently around 7%).

#### TIME FOR EXPANSION

We have on-the-ground capacity to progressively add 15 new families a month to this program. But, in order to do so, we need to also progressively increase our Loan Capital fund. It costs US\$200 to provide a loan to a new family.

TO ADD 15 NEW FAMILIES EVERY MONTH, we need additional loan capital of US\$3,000 a month / US\$36,000 a year. In 5 years time, this means our program will be assisting in excess of 1,000 orphans and families.

If you can partner with us to achieve this outcome, 1,000 orphans will be thankful.



STORIES FROM THE FIELD:

# LITTLE CHEBA AND HER GRANDMOTHER JOIN THE PROGRAM



Cheba has been living with her grandmother, Julia, for a year now and this is how it all happened.

Julia's son had a scholarship to study medicine at a local university and finally graduated and married a lovely young lady. Life was going well for Julia and her family. Julia's son spent 2 years waiting to be posted in a local hospital. After 2 years, he decided it was time to look for other ways to make a living and provide for his family which had begun to grow with the welcome of beautiful little Cheba.

Someone in the community helped Julia's son join the army where great pay and rewards were promised. He enjoyed his training for the first few months. After some time, Julia's son realized that he didn't join the army but rather a dangerous Militia. He was in the process of fleeing when the Militia realized his intentions. He was shot on the spot.

Julia got a phone call from a stranger who informed her that her son was dead. Julia was given the address of where her son's body was dumped. The following few months were a

blur for Julia and her daughter-in-law. Her son's wife did not cope with the tragic news and left. Julia had lost her son and Cheba had lost both her parents.

Everlyne [our project manager in Kenya] heard about Julia and Cheba. After a visit from Everlyne, Julia joined the Captivating Foster Family Loans Program with her first loan not long ago. Julia grows maize and sells it at the local markets.

She also has some goats which she is able to sell the extra milk. Julia grows amazing bananas and other fruits and vegetables. She is using her first loan to expand her maize and vegetables business to commercial farming. We are so glad that Cheba has her grandmother who is able to take care of her. Julia is working hard to give Cheba a bright and safe future.



# BABY AT THE DOOR



Ben was working as a night guard at a church in Kenya, when one morning he found a mysterious basket left at the door of the church. Not knowing what it was, Ben called his colleague. Getting closer to the basket, the two men heard the cries of a tiny, newly born baby; but no one was around. Ben picked up this tiny baby boy and took him home to his wife Janet. Immediately, motherly instincts took over and Janet fed and dressed the baby. They spent weeks trying to find who the parents were, but no one came to claim him. Ben and Janet adopted this tiny, orphan baby and named him Job. Job is now in nursery school and is a happy, healthy little boy.

Sadly, Ben passed away 2 years ago. Now as the sole provider for her family, Janet has worked hard to care for her two daughters and her son Job. She sells avocados and vegetables at the local market but Janet needs to grow her business in able to support her children

through school. Another lady, who has been through the Captivating / ACDF Foster Family Loans Program recommended Janet to come and ask for help.

Janet started with her first loan of US\$150 in March 2017 to help her grow her avocado & maize business and gain sufficient income to help support her family financially. Once she has repaid her loan, Janet will most likely need to take out 2-3 more loans before she is self-sustainable.

# THANK YOU

Thank you for being part of the Captivating Foster Family Micro-Loans Program, or for considering partnership with us. This small business loans program continues to go from strength to strength. The women who join this program are grateful for the opportunity to learn how to become successful business women and to be able to financially support their children and their fostered child with an education and a bright future. The capacity exists to grow this program with 150 new families each year but we need your help to do this. US\$2,000 allows loan capital for another 10 families into this program. If you would like to continue or start supporting this life changing program, please donate through our website at [www.captivating.org](http://www.captivating.org) or email us at [info@captivating.org](mailto:info@captivating.org).

Our thanks

Andrew Colquhoun  
CEO CAPTIVATING INTERNATIONAL



# YOU CAN BECOME INVOLVED TODAY

**CONTACT** Daniella May at [daniella@captivating.org](mailto:daniella@captivating.org) or Andrew Colquhoun at [andrewc@captivating.org](mailto:andrewc@captivating.org)

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