

Giving to Groups Instead of Individuals

In the Kiva community, lenders have the choice of loaning to individuals who are working to start their own businesses. Lenders can also loan to groups of people who have joined together, either 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 how to loan our Kiva funds, we should consider the advantages and disadvantages of loaning to groups.

Advantages of Group Loans	Disadvantages of Group Loans
Giving to a group can change the lives of many people, including those starting new businesses (and their family members).	Loaning to groups seems less personal. It can be hard to tell exactly who is getting the benefit of our good deed. If we loan to individuals, we will know exactly who we are helping.
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 will get to track who our partners are and what countries they come from.	Loaning to groups means that we will never be able to cover an entire loan to an entrepreneur by ourselves; we will always have to find partners. It would be exciting to know we were completely responsible for changing someone's life, and we won't get that opportunity with group loans.
In group loans, every member of the group promises to support one another. If one businessperson is struggling, he or she will have the support of neighbors and friends, making it more likely that his or her businesses will succeed.	
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 that member's 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?