

Potomac-Bethesda Rotary Club News



New Member Installation:

Klaus-Dieter Ordemann is pinned by sponsor **Nadim Salti** as wife **Jessica** gives a smiling approval. We warmly welcome Klaus and Jessica to



our Rotary Club family! Thanks so much to **Steve Naron** for the photography.

May 3 Meeting Report:

Our guest speaker was Captain Michael Rojas from the Salvation Army and a member of the Montgomery Village Rotary Club. The symbol for the Salvation Army is a red shield, one of the most recognizable logos in the world, so they don't need to spend a lot of money on advertising. Overhead for the Salvation Army is low, with 89% to 93% of the donations "Doing the Most Good". The Salvation Army built a new facility in Germantown in 2000 which has recreational facilities and a chapel for 200 people. Captain Rojas came to Montgomery County in June 2005 with his wife who is also a captain in the Salvation Army. Many people think of Salvation Army bell ringing at stores in December that contribute about 10% of the income for the organization. 90% of the



Tonight's Program

May 10 - 6:30pm

**Rotary Club Meeting at Hunter's Inn
Club Assembly**

Hamburgers, Hot Dogs, Corn, Cole Slaw, Apple Pie and Club Assembly

This is one of the most important meetings of the year! We need your input and feedback about our club. All topics are open for discussion. This is your meeting! President Jerry promises that we will have lots of fun and even door prizes.

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ringers are actually paid for their service. Captain Rojas talked about what the Salvation Army is doing for disaster relief and mentioned that they have been assisting at Virginia Tech after the slayings. Some of the club members have donated items to the Salvation Army Thrift stores with one located in Gaithersburg. Many of the people who pick up donated household goods with the Salvation Army trucks have recovered from addiction problems and now refurbish and repair these items for sale in the stores. Every Salvation Army officer is an ordained minister. Captain Rojas pastors a church at the Germantown chapel, preaching every Sunday to a gathering of about 50 people. The Salvation Army has its own lingo where churches are "corps", members are "soldiers" and giving an offering is "firing a cartridge". The annual budget for the Montgomery County Salvation Army is \$1.1M. Outreach programs assist with community needs such as giving youths an alternative to loitering around the Germantown bus station and bothering restaurant patrons. They also sponsor a summer camp for youth in conjunction with the YMCA. The Salvation Army administers Washington Area Fuel Funds for those who have difficulty paying utility bills. They are meeting the need for low-priced drugs through a program with Walmart. Captain Rojas' wife Christine runs the Angel Tree program that provided presents for 1600 kids last year. They employ one social service person. Captain Rojas graduated from Stetson University as a computer engineer and was making a good income as a consultant when God called him

to be a Salvation Army officer. Now he lives in a furnished house provided by the Salvation Army and may be asked to move to another location taking only his personal belongings. Our Rotarians donated **\$180** in happy dollars to send a youngster to camp.



We welcomed **Jessica Ordemann** wife of **Klaus** and **Jalena Salti**, wife of **Nadim**. **Dick Alsmeyer** introduced his guest, **Bruce Matter**, a patent attorney.

President Jerry asked for assistance at the Jewish Group Homes renovation project on May 26.

Alan Grant reported that his son will be going to Florida Coastal Law School.

Rotary Club Calendar

May 17 - 6:30pm

**Rotary Club Meeting Venue Change to
Normandie Farms Restaurant
10710 Falls Road, Potomac**

**Klaus-Dieter Ordemann Classification Talk
May 24 - 6:30pm**

**Rotary Club Meeting at Hunter's Inn
May 26 - Saturday**

Renovation at Jewish Group Homes

May 31 - 6:30pm

Rotary Club Meeting at Hunter's Inn

**Our Rotary Club Project in Ethiopia:
Orphanage for AIDS Orphans**

**June 24 - Sunday - Installation of Rotary
Club Officers for 2007-2008**

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Putting Poverty Out Of Business Nearly 1,000 Families Benefit From Small Loans In Honduras

By Vanessa N. Glavinskas *The Rotarian* Photos by
Monika Lozinska-Lee/Rotary Images May 2007



Back in business: On the sidelines of the local soccer field, Leslie Yaneth Rodríguez sells snacks to fans watching the game. A pickup truck serves as a makeshift market stall for small-scale vendors in Honduras.

Every Sunday, Leslie Yaneth Rodríguez and her husband load her cast-iron pots and pans into a rusty pickup truck and drive out to a spot on a small rise overlooking a dusty soccer field. There, she lights a wood fire and sets up shop. As the scent of frying empanadas wafts over the field, stomachs growl, mouths water, and hungry fans line up to buy the steaming, savory pastries. Rodríguez has built a successful business selling empanadas, homemade churros (long doughnuts), sodas, and other snacks to the spectators who come to cheer on their teams in Zarabanda, Honduras.

A decade ago, Rodríguez and her husband, Marco Teulio Salgado, relied on a similar stand to supplement their income, but when Hurricane Mitch swept through Honduras in 1998, they lost that business, along with their

In June Ted Asfaw will be going to Ethiopia for three weeks. It's the first time he has been back since he left 27 years ago. He will also be teaching in Zimbabwe for two weeks. Best wishes, Ted on your extensive travels!

home. For a full year after the hurricane, neither Rodríguez nor Salgado could find steady work.

"Our neighbors gave us clothes," says Rodríguez. "We lived with my in-laws." Her four sons, now teenagers, missed a year of school. "We couldn't pay for it," she says.

But she was back in business in 2000 because of a low-interest loan from the Uniendo América Foundation, a microcredit program operated by Rotarians in Honduras.

"I took out a very small loan at first, to be sure I could pay it back," explains Rodríguez, who joined Banco Génesis, one of 52 self-sufficient community banks operated by Uniendo América, in 1999.

With a loan of 2,000 lempira (US\$105) – her sixth through Uniendo América – Rodríguez purchased materials to build a new stand. Today, she nets US\$40 in a single Sunday. That's the same amount that her husband, a bricklayer, earns in a week. The income from the food stand has allowed the family to rebuild their home and add a new adobe oven and latrine.

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Rodríguez now also has a savings account for the first time in her life – a requirement for participants in the Uniendo América program. Every 15 days, Rodríguez, who serves as treasurer of Banco Génesis, hosts the six members of the community bank at her home. At that time, members are required to pay back one-eighth of their loans, with a portion going into a personal savings account. The interest, about 3 percent per month, is used to grant new loans to the group members.

Today, nine years after Hurricane Mitch left her homeless and unemployed, Rodríguez has big plans. She eventually would like to open her own bakery and looks forward to the day her children can join the community bank so they can start their own businesses.

“I am so happy and proud,” she says. “I have hope for the future now, and for my sons.”

Lending a Chance

In 1997, The Rotary Foundation provided a \$500,000 Health, Hunger and Humanity Grant to establish microcredit in five Central American countries. Two years later, as Honduran Rotarians worked to build the program in their country, they created the Uniendo América Foundation with 11 Honduran and 19 North American Rotary clubs.

“In the beginning, CARE International showed us how to do microbanking,” says Julio Villalta, of the Rotary Club of Real de Minas-Tegucigalpa, who has been president of the

Uniendo América board of directors since the program’s inception. “We opened 12 banks with them.”

Each bank has six to eight members, and for every 10 banks, Uniendo América employs one local coordinator, who’s trained to keep a record of the loans and the members’ payments. The coordinator is paid 0.5 percent of the interest collected, an incentive to make sure everyone makes their payments.

Bank members also pressure each other to pay on time, because if one person falls behind, the others are not able to take out new loans. Anyone who fails to pay more than twice usually is asked to leave the bank by the other members. Those who do pay on time get perks, such as secondhand clothes or toys for children – items that are often donated by Rotary clubs.

“If we just gave people money or allowed them to get behind, then we wouldn’t be training them for real life,” explains Villalta, noting that some participants have become creditworthy enough to receive loans from traditional banking institutions.

Most loans are given to help recipients build up an existing venture, so Honduran Rotarians also advise new bank members on how to run a business. Participants often increase their profit margin by up to 80 percent, mostly because they no longer have to make steep interest payments to loan sharks. “It frees them from living day to day,” adds Villalta.

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Because Uniendo América's operating banks in Honduras are self-sufficient, grant money, which usually comes from Rotary Foundation Matching Grants, is used to start new banks and pay the program's two full-time employees. All seven members of Uniendo América's board of directors are Rotarians.

Although Uniendo América allows men as well as women to participate, Villalta says about 96 percent of the banks' members are women. "Every cent that a woman makes is for her kids, her house," he says. "They are the ones who contact us the most."

Each bank's members decide who can join their group. After that, the Rotarians explain the terms of the loan and help new members make a business plan.

"These are people who've never had access to credit," explains Raul Bonilla, board treasurer of Uniendo América and a member of the Rotary Club of Tegucigalpa-Kaputzihil. "Giving a gift doesn't help them. Instead, we teach fiscal responsibility." Honduran Rotarians estimate that 90 percent of the bank participants are single mothers who have been abandoned by their husbands and often lack a steady source of income or any type of collateral.

So far, Uniendo América has provided loans to nearly 1,000 families. In a country where 66 percent of the total population lives on less than \$2 a day, the problems might seem daunting, but local Rotarians see them as motivation to keep working. "In Honduras,

there are so many needs that Rotary is very active," Villalta says. "If other clubs around the world want to help here, they should know that they will find involved and responsible Rotarians to partner with."

A Hand Up

A thick, red cloud of dust envelops Mariana Ponce's ramshackle house whenever a car drives up the steep, unpaved road. Ponce, who lives with her four children, has trouble finishing a sentence without coughing from the dust, and her oldest son, Kevin, 22, developed asthma because of it. Because glass is expensive, wooden boards stand in for windowpanes, leaving the house depressingly dark inside, even on a sunny day.

Ponce has a difficult life, but before she joined a community bank through Uniendo América, it was worse. She routinely had to borrow money from loan sharks to buy what she needed for her small business peddling soy products, such as milk and cheese. Paying high interest rates, she was barely able to turn a profit.

Ponce works full time doing laundry at the local hospital, where she earns about 50 cents an hour. She also sells cosmetics and used clothes door-to-door. But there's still not enough money. Recently, her second-oldest son, Merlin, 17, quit school to wait tables full time. He earns \$5 a day. Ponce's husband abandoned the family in 2001.

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In 2003, a friend told Ponce about the Uniendo América community banks.

"When I heard Rotarians were forming groups and giving loans, I went to the meeting," Ponce says. She grew excited after learning she could take out the money she needed as a loan at a 3 percent monthly interest rate. She'd be expected to pay it back over four months.

That day, Ponce joined the bank Grupo Unido Valle de Ángeles. "The loans helped me get ahead because the interest is so much lower," she says.

Ponce used her first loan to buy a supply of soy. Freed from paying high interest rates, she slowly began to turn a profit.

She paid off her first loan, about \$140, on schedule, making her eligible for a second loan. She now takes out about two to three loans per year, averaging \$265 each, to buy raw soy. Her daily net profit of \$10 pays for her children's schooling. She makes payments every 15 days, and her savings, which she estimates at \$90, now acts as collateral. In time, she hopes to have enough of her own money to invest in expanding her business rather than relying on loans.

Though her situation is improving, Ponce still has worries. Every month, she spends \$50 on a prescription medication she must take for heart complications caused by Chagas disease, which is transmitted by an insect that lives in the adobe walls of rural homes in

many parts of Central and South America. Her son Kevin, who has a mental disability caused by a childhood case of meningitis, is unable to work. To make things worse, last year he fell and broke his ankle, which has not healed properly. Unable to make the arduous 45-minute trek to town, he's now isolated at home all day.

Local Rotarians became acquainted with Ponce through Uniendo América and often bring her used clothing. The Tegucigalpa-Kaputzihil club, one of the founding clubs of Uniendo América, hopes to raise money or obtain a Matching Grant to help her make the many needed repairs to her home.

Just knowing someone is there for her makes Ponce more optimistic.

"Before the bank, I was always scared," she says. "Now I have some security."

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President's Membership Goal:

Two More Members and the Potomac Village barber at our evening meeting will shave Jerry's head, beard and mustache! Let's meet his challenge!

**Please Pay Your Invoice
For The Second Quarter Of 2007
To President Elect Don Smith
10805 Admirals Way
Potomac, MD 20854**