The Helping Hands Fund

The Helping Hands Fund is a joint collaboration between the Bomso Church of Christ in Kumasi Ghana, West Africa, and the Camp Hill Church of Christ in Camp Hill Pennsylvania, USA. Both churches have held a relationship dating back to the 1980’s when Bob and Beth Williams from the Camp Hill church went to Ghana as missionaries. During that time both churches collaborated on a number of major projects including the building of a medical clinic (which is still in operation), various agricultural projects, and well drilling for fresh water in remote villages.

Recently, it was decided to initiate another major project which could make a significant impact in Ghana. Donald Pownell, a member of the Camp Hill Church and a professional economic development consultant, made a fact finding trip to Ghana in 2013. During that trip he visited nine rural villages and conducted surveys with a total of 27 villages. These surveys were designed to obtain a firsthand evaluation of the health and welfare of the typical Ghanaian family living in a rural village.

The following points summarize the key findings:

* From a practical point of view there are no jobs in rural Ghana beyond day labor
* The average villager makes a living through agriculture - this includes growing food and providing enough produce to eat, with the remainder being sold in the market or further processed into rudimentary value-added food for the market
* The average net income varies but usually runs in the $1,500 to $3,000 range
* Direct costs related to farming are $1,000 to $1,500 per acre
* The average farm is one to four acres
* Most villages have a community well and latrine
* Families pay for health insurance, elementary school, and associated sundries for living
* About 50% of the children are sent to school, due to the cost of schooling
* In Ghana either the tribal chief or government owns the land; this prohibits the villager from being able to buy and leverage real estate assets
* Villagers do not have cars
* Farms are not mechanized at all; all work is accomplished by hand
* The extended family is the major social force
* They have no viable access to capital to make significant purchases. Any loans when available are typically made at 30-50% interest.
* Houses are mostly small - 500 to 700 Square Feet – with no air conditioning or plumbing – utilizing block walls, concrete floors, and tin roof
* Real estate for farming is usually leased – farm sizes are built up over a period of years as cash allow
* They have no practical material wealth
* Preachers have no income in many cases
* In analyzing the farming process in Ghana it was evident that the harvest depends highly on weather, and is thus variable. Over a 10 year period you may have two or three really good years, four or five medium years, and two or three really bad years. One problem is that due to the pressures of supporting extended families, it is nearly impossible to save money in the good years.
* The average village family barely makes enough to exist from year to year
* A few villages have initiated their own form of a credit union. Also the Bomso Church already runs an “urban” program similar to the Helping Hands “rural” program in Kumasi – with default rates less than 15%.
* In the interviewing process the most asked question by the villagers was, “could we assist them obtain access to loans?”

What did we do with the data?

While in Ghana, Don Pownell met with elders from the Bomso Church and leaders from the Ghana Bible College to obtain a Ghanaian perspective on what possible programs could be put in place to positively affect the rural villages. It should be noted the Bomso church sponsors the Ghana Bible College. The Ghana Bible College has graduates in all 10 governmental regions in the country and extensive contacts in literally hundreds of rural villages as well as various levels of the Ghanaian government. We should also mention that many people we met also knew Bob Williams . This provides access to information and people not normally available to the average group desiring to establish a project in a foreign country.

It was jointly decided to create a short-term lending fund to benefit those with the least access to capital. One basic premise is that there is not enough money to subsidize the entire population with grants. A second premise is that this provides the rural population with knowledge of the lending process, which in the long term makes them credit worthy.

What is the program?

 The program is named the Helping Hands Fund. It is a joint collaboration between the Bomso Church, the Ghana Bible College, and the Camp Hill Church.

* The target clients for the fund will be rural villagers but a portion of the funds may be invested in urban areas.
* The basic services package will be job and business management training coupled with micro finance.
* The Bomso Church and Ghana Bible College will provide overall management of the program, accounting, fund distribution and collection, and individualized job and business management training as a contribution to the program. Thus, 100% of all money donated toward the fund will go directly to applicants selected to receive loans.
* Camp Hill will provide capital and business planning expertise.

The term “fund” for this project is defined as an account held within the Bomso Church of Christ’s general account ledger at the church.

* Capital for the fund will mostly be raised from the United States.
* The account will be monitored by appropriate accounting professionals who will provide an annual audit of the account.
* The fund will be managed by a committee composed of Bomso Church elders, Administrators from the Ghana Bible College, and selected leaders from rural villages. A representative from the Camp Hill Church will attend one meeting per year and make visits to users of the fund.
* The basic premise of the fund is to provide elementary business training and very small short term loans to allow people to buy products in bulk and at lower prices, or to buy products or equipment not normally available to them in the market place due to a lack of funds. In practice this allows the client to establish a line of credit which if properly managed can be increased over time.
* Depending upon the type of help needed, supplies or equipment may be purchased and provided to recipients, who would make payments on those goods.
* The ultimate goal is grow the client away from the line credit. As funds are repaid, the money can be directed to new recipients.

How will the program function on a day-to-day basis?

* Elders from the villages will recommend people who they feel meet the set forth criteria for admission in to the program.
* The committee will meet on a regular basis to conduct normal and customary business. Part of each meeting will be dedicated to review and approve or disapprove applications into the program.
* If the applicant is accepted, the local village elders or leaders will work with the client and the fund representative to monitor the training process as well as the financial aspects of the loan. These local leaders are the ones ultimately responsible for loan collections.

Capitalization:

The fund will be capitalized with $5,000 U.S. – it is expected this amount will allow up to 200 people to enroll into the program.

Implementation:

It is expected that within the next several months the project will start accepting applications and awarding commitments to fund projects