

PREPARING FOR THE UNEXPECTED

The need for access to credit and money management in Latin America



Guest editorial by
John Meisenbach

For almost all of us, our future is uncertain. However, we do know that we will eventually face health

issues, see a decline in business, or experience the loss of a loved one. In the United States, many of us are able to plan and prepare for these unexpected and untimely events by managing our financial assets. This is not the case for millions of people in Central and South America.

Many people that live in extreme poverty in Latin America are unable to receive asset management because they are repeatedly turned down by their local banks. Formal financial institutions do not work with the poor, as it is an extremely expensive venture with little returns. As a result, formal institutions are only for those who have financial assets.

While some individuals are able to use formal savings mechanisms and financial services, the majority of the population is unable to use their services. For people living in poverty, savings are achieved by investing in items that can be exchanged for cash, such as domestic animals, jewelry, harvested crops and building materials. The cash they receive is kept at home, often stored under the mattress or buried in the garden. These saving mechanisms fail to gain interest or build credit for the

person. Depending on the political and economic climate, what was saved could be worthless, putting the individual or family into a greater crisis.

Global Partnerships is one of the few organizations that recognizes the need for people in poverty to have access to credit and money management. As a result, they have created a microfinance environment in eight Latin America countries to address the financial issues that are faced by a vast majority of the people. Microfinance provides the much needed financial services of insurance, savings and credit that can improve the lives of the poor. These services allow for individuals to maintain their business activities, as well as increase their household income and stability. When individuals have a stable household environment, combined with increased earnings and savings, they can plan for the future and are more likely to withstand a crisis.

With the decline of the U.S. economy, we saw firsthand the importance of managing one's assets. Those with little money in savings have had a difficult time paying unexpected bills, managing higher interest rates and taxes while trying to maintain normal standards of living. People who had their financial assets managed were and still are affected by the economic crisis, but were rarely in dire straits as



Global Partnerships and MCM are committed to taking an active role in the solution to global poverty

were their counterparts. This recession has highlighted the fact that people who have access to and use financial services are able to better cope with a financial crisis and rebuild their future.

At MCM, we understand how important it is to be prepared for the unexpected. It is our goal to provide our clients the assurance that they will be able to operate their business, receive medical coverage and pay their bills if they should encounter their own financial crisis. Global Partnerships is working toward the same goal in Latin America and can only achieve great success with the support of our national and global community.

Global Partnerships has allowed MCM to extend a helping hand to those outside of our business. By doing so, we are accomplishing something more than the decline of poverty: we are creating a stable global economy. As our nation and neighbors become more economically stable and sustainable, we can improve the lives of people in multiple nations. We are extremely proud to work with an organization that takes an active role in the solution to global poverty and economic sustainability.

John Meisenbach is Founder and President of MCM, one of the largest privately held benefits consulting and insurance brokerage firms in the Northwest.

SPECIAL THANKS TO OUR 2009 BUSINESS OF HOPE LUNCHEON CORPORATE PARTNERS

VILLAGE BANK VISIONARY

MATTHEW G. NORTON CO.

MCM A MEISENBACH COMPANY

VILLAGE BANK TRUSTEE



VILLAGE BANK LEADER

CHARLIE'S PRODUCE
CONCUR
CORNERSTONE ADVISORS,
INC.
FOSTER PEPPER PLLC

GROUNDS FOR CHANGE
HUNTINGTON STEELE
LAIRD NORTON COMPANY
LAIRD NORTON TYEE

POLYGON NORTHWEST
COMPANY
SEATTLE UNIVERSITY
STONEWAY CONCRETE
THEO CHOCOLATE