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Editorial

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This issue presents four articles that explore important and timely issues for the design and implementation of financial services for the poor and otherwise underserved clients. The articles make clear that despite the strong interest and continued investments in inclusive financial services, we still have a long ways to go in terms of addressing the practical issues that influence outcomes and ultimately impact. Among the questions addressed in these articles are: Do women make risker bets that men in credit repayment? Do investments in client relations, such as capacity building, lead to improved performance for financial service providers? How can financial service providers meet the needs of those who are likely to be excluded from sources of financial services. The papers employ a mix of methods, from project-specific qualitative case studies to national-level representative quantitative studies.

Santandreu and López Pascual examine whether potential repayment differences between men and women in the United States. Their results show that various factors influence payment rates, including age, ethnicity, educational level and loan size; however, sex was not an indicator of loan repayment. The work provides a useful starting point for MFIs looking to invest in the US microcredit market.

Ranjani and Singh look at 211 MFIs in India across 20 plus years for evidence that investments in training and capacity building can result in increased borrower loyalty and ultimately to increased MFI performance. They detect a positive relationship between training expenditures and services on customer loyalty. Moreover, loan Interest rates did not have an effect on borrower retention.

Elu, Price and Williams, researchers from Morehouse College in the United States, look at gender equality in access to microloans in Mozambique. Using diary data on financial activities by households, they show that women, relative women, are more likely to receive larger loans. This suggests that formal MFIs may have something to learn from their informal counterparts.

Wakwabubi, Ahmed and Omware, from Islamic Relieve Worldwide, provide a practitioner's perceptive on the opportunities for extending financial services to those which are highly vulnerable to exclusion from formal providers of financial services. Based on evidence collected in their project, they show that bundling ethical financial services with agricultural technology and capacity building expanded options for households in Kenya where livestock production represented a critical livelihood activity.