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CONSUMED

Extra Helping

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[Kiva.org](#)

Over the last few months, some visitors to the Web site of Kiva, a nonprofit that lets users make interest-free “microloans” to entrepreneurs in low-development (that is, poor) countries all over the world, were greeted with a surprising message. “Thanks Kiva Lenders!” it began. “You’ve funded EVERY business on the site!!” Has a charity ever announced that it had enough money? Would-be lenders were dumbstruck, says Kiva’s public-relations director, Fiona Ramsey: “They’re stunned for a second — ‘Here I am, I have money, I want to help someone, and you’re telling me that I can’t?’ ” The note encouraged the visitor to check back soon, as a new batch of loan-seeking entrepreneurs will often appear mere minutes later. But still, Kiva is a philanthropic organization facing an extremely unusual challenge: maintaining adequate supply (people who need help) to meet demand (people who want to give it). “We don’t want people coming to the Web site who want to make a loan and there’s no one to loan to,” Ramsey says.

Kiva has attracted more than \$19.5 million worth of loans, from more than 220,000 individuals. You may already be familiar with the project, which has received a phenomenal amount of glowing attention — and that’s one reason demand is so high. The site presents a photo of each loan seeker and a short summary of who and where they are and what they want the money for. A restaurant owner in Nigeria needs \$450; a small farmer in Samoa needs \$330. With a few clicks you can help someone on the other side of the world and play a part in solving the problems of global inequality that so often seem insurmountable. While it can be hard for charitable givers to really know where their money goes and whom it helps, Kiva lenders receive updates from the loan recipients. And they almost always see their loans repaid. (The default rate to date is 0.16 percent.)

The venture started in 2005, a time when skepticism about, for example, whether the huge sums donated to tsunami relief efforts were doing any good. It also dovetailed with an increased interest in a more capitalistic version of philanthropy that felt more like investing than simply giving. Add to this a drumbeat of high-profile attention and endorsements — from the [PBS](#) series “Frontline/World,” the New York Times columnist Nicholas Kristof, [Bill Clinton](#) — and you get spikes in demand normally associated with limited-edition luxury products. After Kiva was featured on “[Oprah](#)” this past September, for instance, “we sold out,” as Ramsey puts it. Since the holidays, individual loans have been capped at \$25, to give as many people as possible the chance to participate.

Sometimes frustrated visitors to the site write in to demand an explanation for the dearth of needy people to help. Kiva’s 23-person staff works with 77 “field partners” — microfinance institutions on the ground in 39 countries, who line up potential borrowers. About 250 volunteer translators and editors around the world

post new requests as quickly as they can — which can mean gluts as well as shortages. “We could keep, for lack of a better word, a stockpile of entrepreneurs,” Ramsey says. “But these are real people. We’re not looking at them as inventory.” It can take a while to vet potential borrowers. For example, a Sudan-based organization expressed interest in a partnership at a microfinance conference last August, and it took a couple of months of research, conversations and looking at financial statements before Kiva agreed to work with it. Even when that process was finally complete, Kiva had to help acquire the digital cameras to take pictures of borrowers; the organization is expected to start posting loan requests soon.

Ramsey says that the \$25 cap will mostly be in effect for the next month or so, partly because Kiva sold about \$2 million worth of gift certificates over the holidays, many of them still waiting to be invested. Meanwhile, some users get so caught up in helping that they behave like collectors, looking to add new countries and new kinds of businesses to their portfolios. (Entrepreneurs in Iraq and Afghanistan are particularly popular.) The chat boards on a kind of fan site called KivaFriends.org indicate the mixed feelings about the high demand for loan recipients. “I was trying to leave the field open for the newcomers,” one enthusiast there confessed recently, shortly after adding to a personal portfolio of 62 loans — even as the number of hopeful borrowers was dwindling quickly. “Makes me feel guilty.” That’s an odd thing for such a generous person to say, but it’s one indicator of what an unusual dynamic Kiva’s popularity has created. Even philanthropists don’t want to look greedy.

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