



Inside the Financial Lives of Women Entrepreneurs

Insights from the Grameen Financial Diaries Study

MARCH 2026

Modeled on the Grameen Bank program launched in Bangladesh in the late 1970s, Grameen America, a national 501(c)(3) Community Development Financial Institution Loan Fund, was established in New York City in 2008. Its mission is to empower women in low-income households to achieve economic mobility through entrepreneurship by providing group-based microloans. A previous [randomized controlled trial](#) conducted by MDRC found that Grameen America contributed to reducing material hardship — characterized by the inability to afford basic needs such as food, shelter, or healthcare — and improving nonretirement savings, credit scores, social support, and overall well-being.¹ The study prompted an important follow-up question: how could improvements across multiple aspects of borrowers' financial lives occur despite only modest increases in monthly net income?

To better understand how financial well-being improved without large net income gains (although gross income rose by over \$6,000 annually), MDRC conducted a 12-month mixed-methods follow-up study called the Grameen Financial Diaries study. The research team analyzed interview data and detailed financial transactions from Grameen America borrowers

*Edith Yang
Kianna Medina
Crystal Ganges-Reid
Brit Henderson
Vivianna Plancarte
Lorena Lizarralde*



to shed light on their financial lives—that is, how they understand the connections between business ownership, wage-based work, savings, and material hardship, and how those perspectives shape both business and personal financial decisions.

This study complements MDRC’s previous study by addressing how and why Grameen America’s program demonstrated effects on so many dimensions of financial well-being, including income stability, material well-being, and resilience. The Grameen Financial Diaries study illustrates the real-life financial dynamics of entrepreneurship that drive those outcomes—how borrowers juggle business revenue, wage-based work and other income sources, household expenses, savings, and shocks in real time. By capturing everyday financial decisions, spending and savings tradeoffs, and periods of strain or relief throughout the year, the financial diaries offer a clearer understanding of where additional support might strengthen women entrepreneurs’ financial trajectories.

This brief describes the Grameen America program and study methodology; it then presents descriptive findings on participant characteristics and goals, financial flows through participants’ households, participant perspectives and reflections on their financial circumstances, and participant strategies in navigating economic hardships and making financial decisions. To help bring study participants’ stories to life, the research team developed two personas—Aleydis and Shanté—based on the interview and financial data collected in the study. These personas represent “typical” characteristics and experiences of the Grameen America borrowers in the study and are featured throughout the brief. They provide comprehensive snapshots of the borrowers’ financial lives through the lenses of profit-and-loss statements and balance sheets.

The findings from the Grameen Financial Diaries study demonstrated the importance of increased cash flow and access to liquid resources to financial well-being. Borrowers blended business and household finances to meet immediate needs, navigated instability shaped by seasonal income shifts and unexpected shocks, and relied on a mix of wage income, business revenue, credit, and informal support to stay afloat. Despite these pressures, borrowers demonstrated resilience and drew purpose from their businesses, even as longterm goals often took a back seat to urgent financial demands. These themes guide the descriptive findings presented in the sections that follow.

About the Grameen America Model

Grameen America uses a group-based microlending model: women form groups of five or more, complete financial training, and receive microloans to start or expand small businesses. Grameen America verifies that all loan funds are used for eligible business purposes. Borrowers attend weekly group meetings to make installment payments and to continue receiving training. Successful weekly meeting attendance and repayment over six months makes borrowers eligible for larger

This study complements MDRC’s previous study by addressing how and why Grameen America’s program demonstrated effects on so many dimensions of financial well-being, including income stability, material well-being, and resilience.

loans. Borrowers support, lead, and learn from each other in their groups, keep each other accountable, and encourage each other to maintain on-time payments of loans. Grameen America provides ongoing support — including guidance on savings, credit development and building, sound financial practices, and community health resources — to help borrowers grow their businesses, improve their credit scores, and pursue financial freedom.²

Study Design and Context

In 2017, researchers Jonathan Morduch and Rachel Schneider published the book *The Financial Diaries: How American Families Cope in a World of Uncertainty*.³ The book follows the financial lives of 235 low- and moderate-income households across five regions over the course of one year. The researchers developed and used the U.S. Financial Diaries methodology, in which participants recorded every inflow and outflow of money, to provide a granular view of their financial behavior. MDRC adapted the U.S. Financial Diaries methodology for the Grameen Financial Diaries Study.⁴ The methodology involves regularly meeting with study participants to collect detailed data on financial transactions and to conduct in-depth interviews to explore study participants' financial motivations and decisions. Study participants were asked to track all business and personal income and expense transactions each month, and MDRC researchers met with study participants once a month to record their transactions. Additionally, MDRC conducted three semi-structured interviews with study participants: a baseline interview in fall 2024, a midpoint interview in spring 2025, and a final interview in fall 2025. These data were used to build the financial profiles described in this brief.⁵

With support from Grameen America, MDRC recruited a total of 31 borrowers representing a cross section of different life experiences, languages, geographies, incomes, and relationships with formal financial services. Data collection occurred between September 2024 and November 2025, a period marked by several external developments, including wildfires in Los Angeles County (where some borrowers lived), a shifting federal landscape, and persistent inflation. Over the course of 12 months, some participants were unable to continue engaging with the study team. The qualitative findings in this brief are therefore drawn from interview data collected from the study participants who completed at least one interview (all 31 recruited borrowers). The quantitative findings are based on data drawn from 20 borrowers who provided at least four months of financial diary data. The study included borrowers from Grameen branches in Atlanta; Union City and Newark, New Jersey; New York City (Jackson Heights, Queens, and Harlem, Manhattan); Los Angeles, California; and throughout Connecticut.

The Grameen America borrowers who participated in the study came from a wide range of backgrounds, life experiences, and economic contexts. Participants navigated different labor markets, family responsibilities, and financial constraints shaped by distinct social, cultural, and economic conditions. Aleydis and Shanté represent two personas whose backgrounds, family finances, and experiences in the United States informed their perceptions of their business and personal finances, as well as their financial expectations and hopes for the future. The personas yield insights into the multidimensional nature of participants' lives — how business, work, family, savings, and hardship intersect in different ways to motivate why and how participants made the financial decisions they did.

Study Findings

This brief describes the ways study participants navigated their financial circumstances over 12 months using two borrower personas: Aleydis, a Latina woman who was completing her third year as a Grameen borrower; and Shanté, a Black woman who joined Grameen America a few months before the study launched. The following sections describe overarching lessons that emerged from this year-long study, drawing insights from study participants' background characteristics and experiences, their business and life goals, resilience in responding to life challenges as they occurred, and considerations for short- and long-term needs as they made financial decisions from one month to the next.

Grameen Borrowers Who Participated in the Study Brought a Diversity of Cultural and Life Experiences to Their Groups

Aleydis and Shanté represent the diversity of borrower experiences seen across the study sample. Women in the study spanned a range of ages (27 to 65), included both immigrants (10) and nonimmigrants (10), and were mostly parents whose households included two or more children under age 18. Study participants' Grameen loan amounts averaged around \$4,500 and ranged from \$2,000 to well over \$10,000, reflecting both recent and long-term Grameen borrowers. Study participants' businesses represented a variety of industries, including food sales, beauty, cleaning, health and fitness, and clothing. Most participants (14) held jobs outside of their primary businesses, working in caretaking, food sales and delivery, housekeeping, education, business coaching, healthcare, hospitality, finance, and transportation.

BORROWER PERSONA: ALEYDIS

Meet Aleydis

Aleydis, age 44, immigrated to the United States and lives with her husband Alberto and their three children, ages 7, 12, and 17. Aleydis started her business selling prepared foods in 2021 after her employer cut her hours significantly and her family began facing severe financial strain. She joined Grameen America shortly afterward. She is in the process of registering her business as a corporation and uses her \$7,000 Grameen loan to buy products and ingredients to create and distribute meals. Aleydis is also employed part-time as a home health aide.



BORROWER PERSONA: SHANTÉ

Meet Shanté

Shanté, age 47, was born in Atlanta, Georgia, where she now lives with her husband Corey and their teenage daughter Madison. Shanté started her hair care product business three years ago as a way to supplement her income from her full-time job as an operations coordinator at the airport. She joined Grameen America in early 2024. She has registered her business as a corporation, and she uses her \$3,000 Grameen loan to purchase materials and supplies to make the products she sells.



Borrowers' Financial Motivations and Goals Ranged From Meeting Everyday Financial Needs to Achieving Financial Independence

Grameen America's mission is to help “low-income entrepreneurial women build businesses to enable financial mobility.”⁶ Study participants' goals show some of the many ways in which Grameen America borrowers hope to achieve financial mobility. Participants shared a wide range of long- and short-term goals as motivation for starting their businesses. In the long term, participants wanted to gain financial independence, purchase homes, and provide jobs for their communities. In the short term, many participants wanted to increase and maintain a consistent client base, increase revenue, and automate and organize business processes. Participants also listed opening a storefront — either in the short or long term — as a goal.

Borrowers expressed different motivations for starting their businesses, reflecting differing financial and life circumstances at the start of the study. Borrowers with fewer financial resources and connections to formal financial systems were often motivated to start their businesses by a desire to meet financial needs and gain financial independence. One borrower reported, “I would like to have ... more passive income. So that I'm not as exhausted.” Some had experienced difficulties finding a job or had full-time jobs that did not pay enough to cover their expenses. A few borrowers mentioned that planning for retirement was a key motivator; some expressed concern about adequacy of pensions, and others discussed seeking jobs with better salaries that were less labor-intensive.

Meanwhile, borrowers who were relatively more connected to formal financial systems felt motivated by their local “hustle” culture, which they described as pushing people to pursue multiple income sources to meet both financial needs and social expectations for professional success. Some shared that their business began as a hobby, and they were driven to monetize it after seeing its profitability. Others saw opportunities in unmet demands in the market: “I couldn't find what I wanted, so I created it.”

A few borrowers mentioned socially-minded business goals that were inspired by their past experiences. One borrower who had been through the foster care system said, “I didn't have an older sibling to do certain things with me.... I didn't really have



BORROWER PERSONA: ALEYDIS

Financial Motivations and Goals

Aleydis started her business to increase her family's income. She would like to reach a place of greater financial stability, with less month-to-month variation in gross income.



BORROWER PERSONA: SHANTÉ

Financial Motivations and Goals

Shanté initially began making natural hair care products for her and her daughter. She decided to turn this hobby into a business. Her annual business revenue has nearly doubled over the last three years, especially since joining Grameen. During her weekly Grameen meetings, coaches share resources and strategies for business growth, and she has been able to partner with several women for marketing events.

that support ... so that's what I want to give to somebody else that may not have that." Another, whose business has generated partnerships with nonprofits and social entrepreneurs, traced her mission-aligned business goal to her college experience:

Yeah, when I went to college, I just did a bunch of ... community service and community-driven stuff. And then I've just always ... been attracted to ... social change... I have a non-profit that's functioning underneath my studio right now, so we have ... a podcast. And we do ... community events.... Our goal is to help to support the people who are making change.

Business and Personal Income and Expenses Were Considered as One Stream

The evidence base highlights the importance of separating business and personal finances. Keeping clear accounting of each type of financial flow provides several benefits. For example, it can minimize personal financial risk and exposure, facilitate more informed decision-making, help in the case of audits, and strengthen credibility with potential investors.⁷

Study participants echoed the importance of keeping their business and personal expenses separate, and many participants put systems and tools in place to facilitate this separation. For example, several borrowers had separate business and personal bank accounts. Furthermore, most borrowers interviewed had formally incorporated their businesses. However, study participants shared that in practice, they often treated business and personal incomes as interchangeable, especially while experiencing financial strain.⁸ One borrower explained:

I do have a personal bank account and a business bank account. However, because my personal stuff supports my business so much, they are combined. When my business is able to support itself, then I will be able to have them separated, but because my personal does so much support for my business, they are combined.

Many participants viewed their business income in ways that differed from how they viewed their personal income. They often thought about their business income in terms of gross income or revenue, before accounting for expenses. This approach can help business owners assess their growth strategy and plans but can also make it difficult for them to get a true sense of profitability. In contrast, participants generally thought about their personal income as their net income, after accounting for expenses. Borrowers also reported that consistently tracking their finances, whether business or personal, was challenging:

I really use my bank statements and my banking apps, and I just signed up for this new accounting program.... I want to begin to use that. I think what I could do is just start using that on a daily basis. [Right now], everything I do either goes on my computer or in my phone.

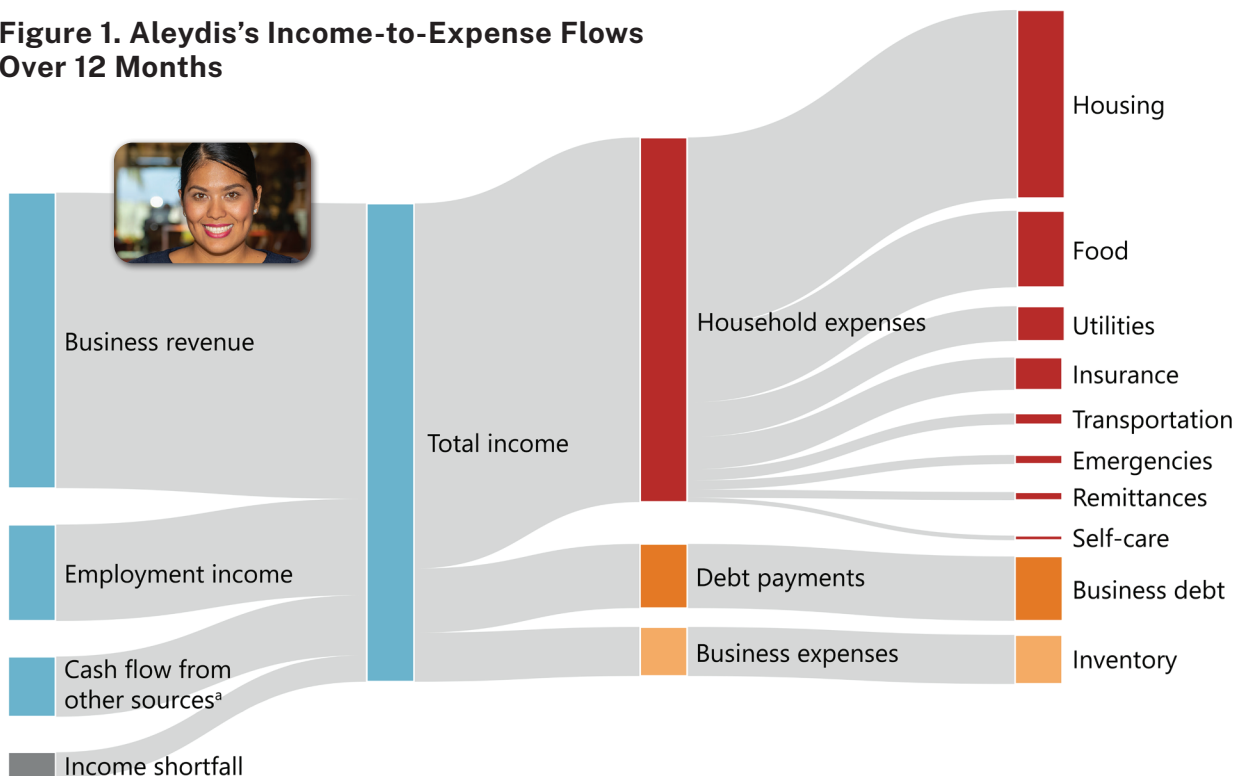
Some borrowers reported that because participating in the study required them to keep close track of their financial details, it served as a source of accountability and helped them to get organized and track their expenses more consistently.

The Sankey diagrams shown below, representing Aleydis's and Shanté's financial flows through income and expense data, were developed to reflect Grameen America borrowers' tendency to view personal and business financial streams as combined. (For information on how to read and interpret a Sankey diagram, see Box 1.) Figures 1 and 2 represent, respectively, Aleydis's and Shanté's combined business and personal income and expense categories.

Box 1. How to Read and Interpret Sankey Diagrams in This Brief

The Sankey diagrams in this brief show how gross income flows into expenses, savings, and debt repayments over 12 months. The left side displays income sources by relative size; the right side shows expense categories by relative size. Wide bands represent larger flows, making it easy to see which categories bring in the most income and which categories consume the most resources. The gray bars represent either income shortfalls if they appear on the left side of the graph, or surpluses if they appear on the right side.

Figure 1. Aleydis's Income-to-Expense Flows Over 12 Months

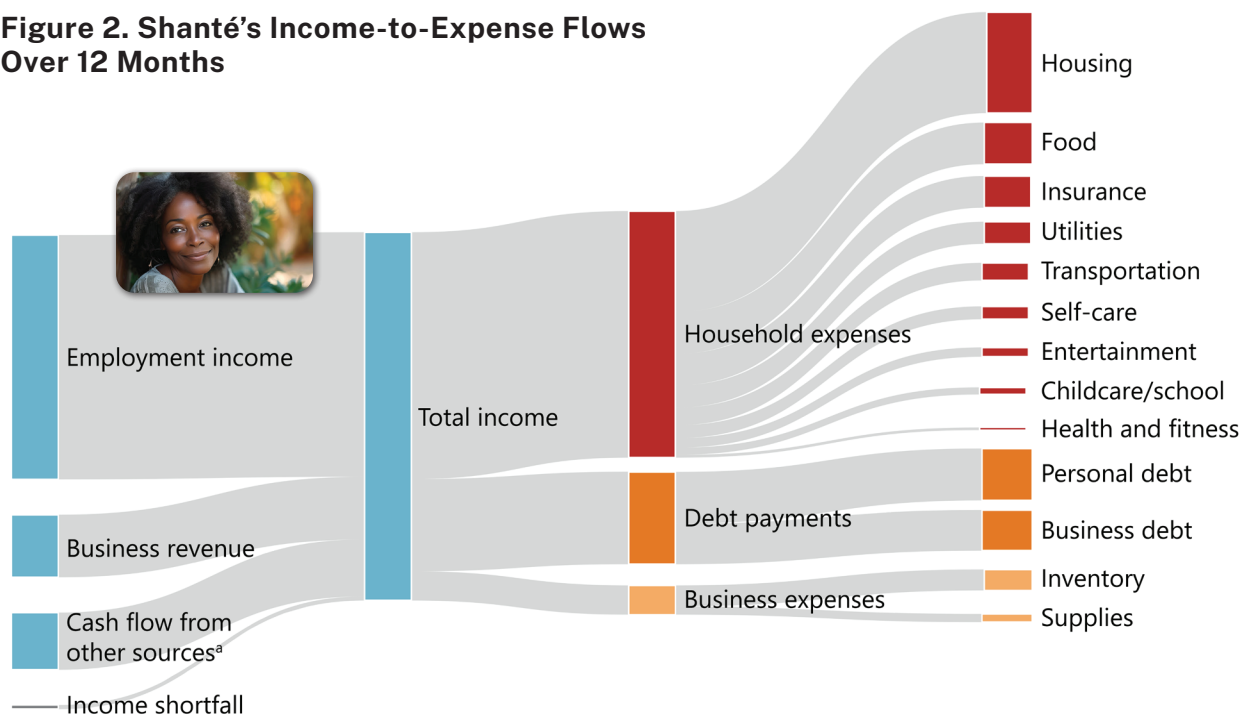


SOURCE: MDRC calculations based on financial diaries data generated to be like that of study participants in the Grameen America program.

NOTE: None of the data included in this graph are from actual Grameen America borrowers. Instead, the graph uses synthetic data generated to be similar to that of Grameen America borrowers and is for illustrative purposes only. The height of the bars for each category of income and expenses represents the relative amounts.

^aOther sources of cash may include earned income from other household members, Grameen and other loan disbursements, and public assistance.

Figure 2. Shanté's Income-to-Expense Flows Over 12 Months



SOURCE: MDRC calculations based on financial diaries data generated to be like that of study participants in the Grameen America program.

NOTE: None of the data included in this graph are from actual Grameen America borrowers. Instead, the graph uses synthetic data generated to be similar to that of Grameen America borrowers and is for illustrative purposes only. The height of the bars for each category of income and expenses represents the relative amounts.

^aOther sources of cash may include earned income from other household members, Grameen and other loan disbursements, and public assistance.

Aleydis's business is her household's primary source of income, which was also the case for more than a third of the study participants. During the year in which the study took place, she earned approximately \$10,000 from her job with the home care company and brought in just under \$30,000 in business revenue. Her husband and older son contributed about \$8,000. Rent consumed more than a third of total income, followed by food and insurance.

Her business expenses made up a small fraction of total expenses. Aleydis used her Grameen America loan to buy ingredients, inventory, and equipment for the meals she prepared at home on weekends to sell during the week. She paid her Grameen America loan back in regular installments and made other regular debt payments, including credit card debt and debt incurred from her husband's recent hospital stay and follow-up medical treatments. Aleydis ended up with a net loss for the year, as represented by the gray bar on the left side of the diagram. She may have incurred a greater net loss without her business revenue.

Shanté's income-to-expense flows are represented in Figure 2. Over the course of the year, she earned approximately \$55,000 from her job at the airport — more than in a typical year — after pick-

ing up more overtime shifts while her husband was in training. She brought in just under \$13,000 in business revenue. Her husband earned around \$12,000. Even with three sources of income, her household's total income (about \$80,000) was still slightly below the low-income threshold for the Atlanta metro area for 2025.⁹ Mortgage payments were her largest household expense, followed by food, insurance, and utilities. Debt payments on credit cards and loans exceeded business expenses, which consisted mostly of the supplies she needed to make hair care products at home and marketing activities. Her total expenses slightly outpaced total income for the year.

Although some borrowers' financial flows suggest that their businesses may be operating at a loss, borrowers described their enterprises as essential sources of flexible income and liquidity. In this context, strict separation of business and personal finances was neither practical nor aligned with how proceeds from their businesses supported financial stability for their households. Subsequent analyses and visualizations in this brief also present business and personal financial flows as one stream, in keeping with how most borrowers thought about their finances.

Financial Security Was Seen as a Future Goal Rather Than a Present Reality

The way borrowers understand terms commonly used to describe aspects of financial well-being — from “financial security” and “stability” to “financial freedom” and “mobility” — and apply them to their own financial circumstances can shed light on how borrowers' financial goals can be best supported. Borrowers' motivations and goals for their businesses, in combination with the reality of their day-to-day financial circumstances, informed the way they thought about financial security and stability, as well as financial mobility and freedom.¹⁰ While these financial terms are defined by field experts in more narrow ways, the research team sought to capture the borrowers' interpretations of these terms to learn about how borrowers might respond to resources or tools designed to improve financial well-being. Most borrowers reported that they were not financially secure, citing difficulty generating enough income or savings to feel comfortable. One borrower explained: “[Financial security] means that ... I don't have to hustle hard ... just to pay the next bill.... I'm comfortable.... More money is coming in than going out.” Borrowers' total income and expense flows aligned with these perspectives: on average, yearly inflows and outflows were about equal, but more borrowers experienced a loss (12) than a surplus (8).

While study participants generally understood financial security as having access to sufficient funds, they also held slightly different, nuanced perspectives on the topic. Borrowers who struggled with covering their basic needs tended to describe financial security in terms of their ability to cover their expenses. Those who were less constrained, either due to greater access to credit or higher gross incomes, typically described it as having peace of mind about their finances and having reliable income sources.

For most participants, financial stability was seen as consistent income over time, with some viewing stability as a medium-term goal following security, while others saw stability as a prerequisite for security. As one borrower explained:

I am financially stable. I make enough money every month to do what I need to do.... If I get two clients every month, I know I'm gonna stay where I'm at.... [On] my sales spreadsheet, I can see at a glance how much I got coming in, how much is going out, how much is left over. So, for me ... I need to have at least \$1,000 left over every month to do what I want to do with it. Once I go down to \$999, I need another client. So for me, that's stable ... because I have more than enough money to do everything that I need to do.... As long as I got \$1,000, I'm stable [because] all my bills [are] paid.

However, even borrowers with highly profitable businesses acknowledged perceived risks to their financial stability: “As long as [my clients are] paying on time, we good. When they don't pay on time, we panic.”

Study participants linked these concepts to financial freedom and mobility. Borrowers described having financial freedom as being free of debt and having flexibility and control over their time. A few borrowers described financial mobility differently, as upward social mobility, which comes with higher levels of total income — although for most borrowers, financial mobility was not a term that was well understood or that resonated with them.¹¹

Monthly Financial Flows Reflected Seasonal Changes and Personal Financial Needs

Grameen America borrowers navigated their financial lives within a complex and shifting socioeconomic landscape. As described earlier, study participants generated, on average, about the same amount of income as they spent over the year. Monthly financial flows, however, showed more variation and were shaped by seasonal patterns, unanticipated events, and the shifting federal landscape in early 2025.

Financial diaries data show that average total income (which includes business and employment income, as well as income from other household members and sources of support) was approximately \$5,600 per month, with an average gross business revenue of about \$1,600 per month.¹² For six participants who experienced a net business loss in at least 4 of the 12 months of the study, total net income averaged under \$300 a month. Wage-based work and contributions from other household members were the most common nonbusiness income sources, while public assistance accounted for less than 3 percent of total income.

Among Grameen America borrowers, differences in net income — meaning total cash inflows (business income, wage-based income, and inflows such as public assistance or loans) minus total outflows (business and household expenses and debt payments) — were associated with differences in primary income sources. Even though borrowers who relied on wage-based work for their primary income source had higher total incomes compared with those who relied on their business for their primary income, they had lower or more negative net balances. Borrowers with higher incomes also tended to have higher household expenses and debt payments. Figures 3 and 4 are waterfall charts that depict Aleydis's and Shanté's income and expense flows for each month of the study. Box 2 explains how to read and interpret these waterfall charts.

Box 2. How to Read and Interpret the Waterfall Charts in This Brief

The waterfall charts in this brief show monthly changes in income and expenses. Each chart begins with a running balance of \$0 (represented by the dashed horizontal bar), starting on the far left with total income in the first month of the study rising above \$0. Floating bars add income or subtract expenses, creating a cascading effect that ends with the net balance on the far right. Bars that fall below the horizontal line reflect income shortfalls. Bars above the line reflect surpluses. This format highlights seasonal patterns and the association of financial flows with unexpected events.

As shown in Figure 3, Aleydis’s total monthly income peaked during the winter holidays and dipped in spring when her husband was out of work. Expenses stayed steady, so lower-income months produced deeper losses. She hopes to expand her client base to reduce vulnerability to income shocks.

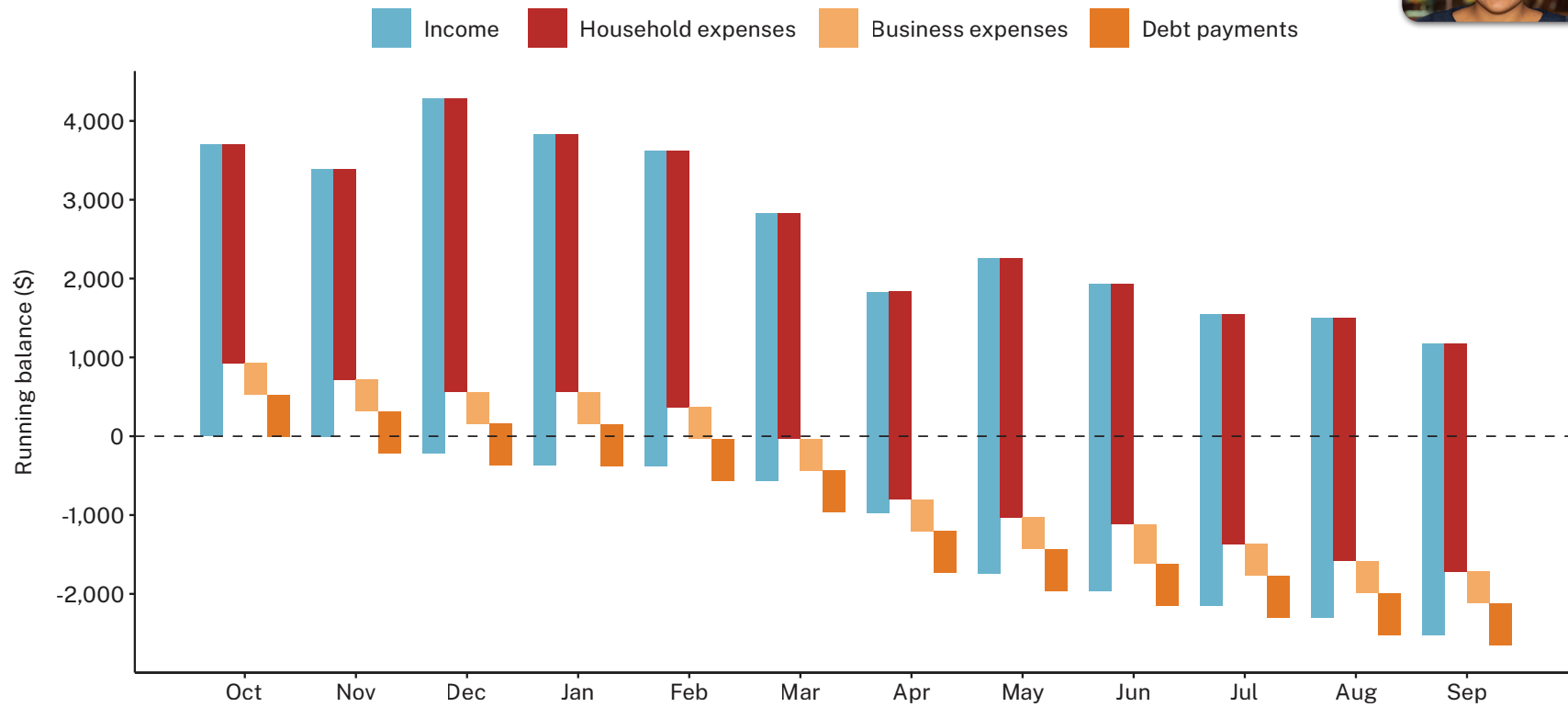
In contrast, Shanté’s total income, reflected in Figure 4, was relatively stable, with small seasonal increases in business revenue. Her husband’s reduced work hours resulted in a lower household income early in 2025, while debt payments remained high. She plans to save more once her husband completes HVAC training and returns to full-time work.

Aleydis’s and Shanté’s monthly financial flows make it clear that instability can stem not only from financial shocks (in Aleydis’s case), but also from “slow-moving shocks” that Shanté experienced, where small month-to-month declines in income or incremental increases in expenses can gradually erode financial stability. Although rooted in macroeconomic terminology, the concept of “slow-moving shocks” also captures the gradual household and small-business-level erosion evident in the diaries.

Some of the differences across borrowers’ monthly financial flows are notable. Often, those borrowers who averaged lower monthly incomes faced higher regular monthly expenses relative to higher-income borrowers in almost every basic needs category, including housing, groceries, childcare, school, and emergency costs—perhaps due to larger household sizes, and fewer options to partially cover large household expenses (like rent or mortgage) through leasing space to non-household members. They often had to make difficult decisions about financial tradeoffs without more access to additional liquidity or capital. For example, one borrower reported that she would rather go hungry than not pay rent “because I have been behind on rent before, and that is very scary.”

While some borrowers with limited use of mainstream financial products had higher business loan installments since they had gone through more loan cycles with Grameen America, borrowers who had more familiarity with mainstream financial products had higher revolving debt payments, mostly on their personal credit cards. As discussed in the next section, these differences inform borrowers’ experiences of material hardships and liquidity constraints and their ways of navigating them.

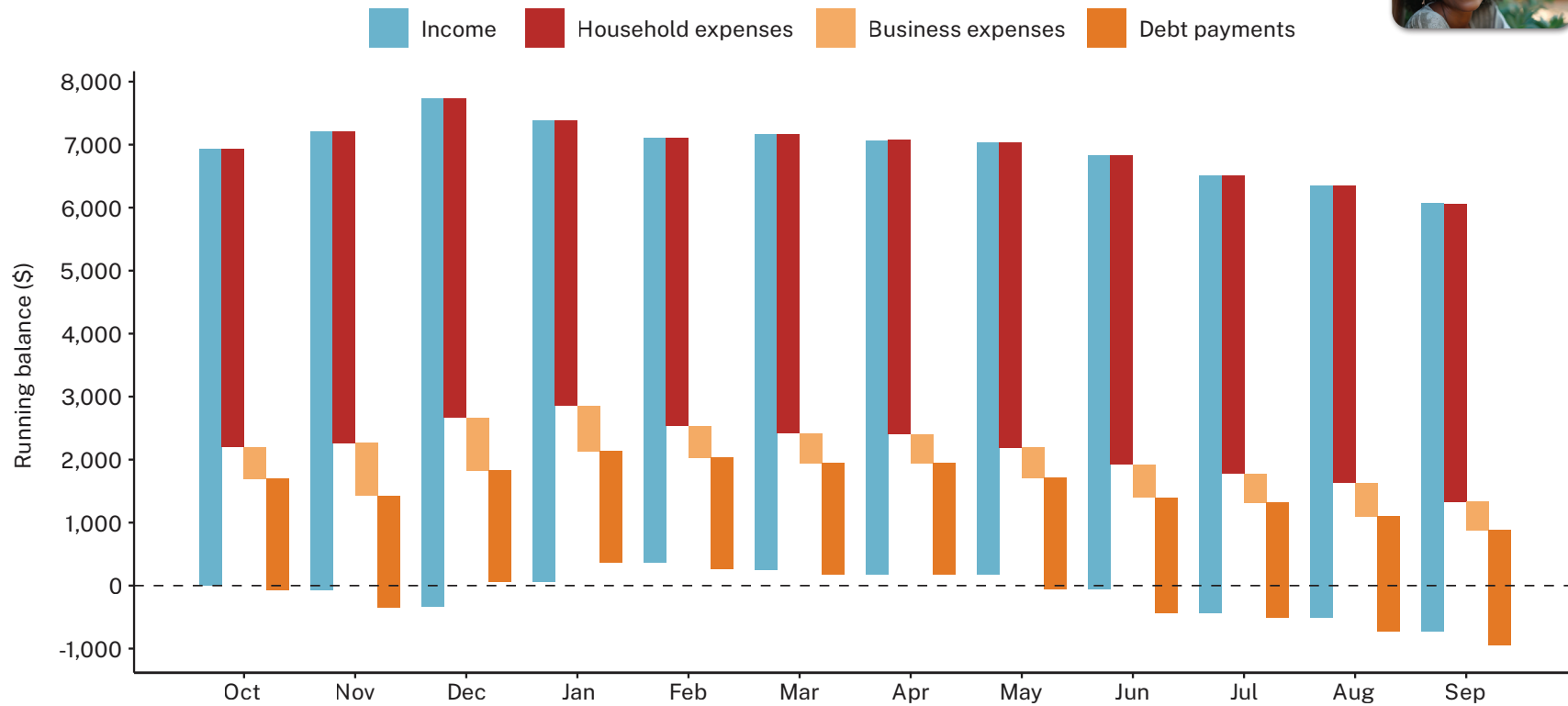
Figure 3. Aleydis's Monthly Financial Flows



SOURCE: MDRC calculations based on financial diaries data generated to be like that of study participants in the Grameen America program.

NOTES: None of the data included in this graph are from actual Grameen America borrowers. Instead, the graph uses synthetic data generated to be similar to that of borrowers in the Grameen America program and is for illustrative purposes only.

Figure 4. Shanté's Monthly Financial Flows



SOURCE: MDRC calculations based on financial diaries data generated to be like that of study participants in the Grameen America program.

NOTES: None of the data included in this graph are from actual Grameen America borrowers. Instead, the graph uses synthetic data generated to be similar to that of borrowers in the Grameen America program and is for illustrative purposes only.

Borrowers Who Had a Stronger Financial Foundation Were Better Able to Weather Financial Storms

The economic environment and changing federal priorities in 2025 may have contributed to heightened financial strain for Grameen America borrowers. Many reported shifting their short-term focuses from business growth to survival and sustainability. In particular, borrowers whose businesses relied on immigrant clientele noted that the broader climate of uncertainty and stress experienced by many communities was a contributing factor to the revenue challenges they faced over the past year. Economic pressures — such as reduced clientele, benefit cuts, and rising costs — may have contributed to a bifurcation of financial well-being circumstances among Grameen America borrowers.

Financial diaries data show that borrowers across the board experienced an average of two financial shocks during the 12-month study period. (The study team defines a financial shock as a month in which a large drop in net income occurs.) However, borrowers who had a stronger financial foundation — characterized by a higher total income, initial positive net income, and less monthly income variation — at the beginning of the study managed to avoid large income shortfalls, and some even experienced growth and stability.¹³ Meanwhile, participants with a lower total income, negative cash flows, and greater income variability ended the year with decreased financial stability and deeper income shortfalls. These borrowers relied heavily on available resources — credit, informal borrowing, and funds from their Grameen America loans for eligible business expenses — to maintain stability. Although shocks occurred at similar frequencies across groups, individuals with stronger foundations had deeper financial cushions, while others had smaller margins to buffer against personal or global disruptions.

Grameen America borrowers demonstrated financial resilience by using a variety of financial resources and approaches to overcome material hardship. Material hardship was a persistent risk and concern among some Grameen America borrowers. The financial diaries and interview data show reliance on food assistance and unanticipated health expenses that these borrowers struggled to cover. One borrower described her approach to purchasing groceries when her SNAP benefits were cut:

Cause I'm the type, that I don't need meat to eat. I have a lot of beans and rice, so I keep those things like that. I'll go to the store and I'll get fresh string beans, greens, you know, salad, tomatoes, stuff like that. and I will get some stuff for canned goods, and I will keep them in the closet. I'm struggling, but I gotta eat.

Material hardship was notably more common among borrowers who relied primarily on business income, while those with wage-based jobs as their primary income source faced fewer liquidity constraints. Borrowers with wage-based jobs that were secondary income sources also reported fewer food or housing insecurity challenges than borrowers who relied solely on business income. This finding aligns with the goals borrowers described earlier: those with less steady income often focused on meeting immediate financial needs, while those with more consistent access to resources were more likely to aim for long-term wealth building.

Borrowers drew purpose and hope from their businesses during times of hardship. Interviews revealed that businesses served as both financial lifelines and sources of emotional resilience. One borrower, who had faced homelessness in the prior year, described how stressed she felt when she lost her housing:

So last year, this time, I became homeless. Suddenly, I didn't even really know.... I moved in with a friend to save on costs, and then they betrayed my trust and just kind of screwed me over. And I was ... scared, because I'm like, how am I gonna pay ... to move and do all these things and ... figure all of this out ... suddenly?

She also explained that her business both gave her purpose and sustained her financially during that time. This is consistent with MDRC's past reports suggesting that the Grameen America loan, which made it possible for women to start and sustain their businesses, also made a difference in helping borrowers make ends meet during difficult times.¹⁴ The finding highlights the importance of continued support that can help these borrowers keep their businesses afloat as a financial stabilization strategy.

Public assistance and the Grameen America loan helped borrowers who experienced relatively deeper levels of material hardship to sustain themselves financially. A mix of financial resources — including the Grameen America loan (to cover eligible business expenses), credit cards, public assistance, and reserves or savings available from businesses or wage-based work — helped Grameen America borrowers cover their financial needs. There was no single source of liquidity that stood out, although a few borrowers who experienced unusually deep financial struggles during the study mentioned relying on their Grameen America loan for survival. While most study participants did not receive or rely on public assistance, four borrowers did. Others discussed “benefit cliffs,” whereby they no longer qualified for assistance due to household income thresholds, or bureaucratic complexities that made it difficult to apply. One borrower described her experience with public assistance prior to establishing her business: “I was on food stamps when I first moved out here in 2013 when I was making \$20,000 a year but it didn't last long.” Borrowers who received public assistance reported that benefits from the Supplemental Nutrition Assistance Program (historically known as food stamps) allowed them to purchase enough food without worrying about their ability to cover other essential household needs.

Access to credit may play important roles for addressing short-term emergencies as well as working toward long-term goals. Borrowers demonstrated resourcefulness when describing their approaches to covering their expenses. For example, in interviews, most shared that they could cover a \$400 emergency by tapping into their savings, using a credit card, asking their social circles for help, or leaning on their business revenue. Since the Grameen America program has demonstrated its ability to raise credit scores and therefore increase access to credit, relying on credit cards with sufficient credit limits may be one important way that borrowers are weathering difficult times to cover unexpected expenses, or to sustain themselves during slow business periods.¹⁵

However, while Grameen America borrowers were interested in increasing their credit scores, relying on credit cards in times of crisis was not their primary motivation for doing so. Interviews

revealed that borrowers were generally highly aware of their credit scores and the factors influencing them, learning through fintech tools, family and social networks, life events and personal experiences, and savings groups. They generally discussed improving credit scores for the purposes of longer-term financial goals, more so than seeing access to credit as explicitly playing a large role in easing material hardships. For example, they understood that good credit was needed to build long-term assets, explaining that they hoped to increase their scores to purchase homes or access other financial opportunities.

Short-Term Needs Were Often the Main Driver of Borrowers' Financial Decisions, But Other Factors Also Played a Role

Borrowers described multiple factors shaping financial decisions, with short-term needs such as covering housing and business costs, managing debt, and sending remittances often taking priority over long-term goals. While most wanted to save, limited net income after expenses made this difficult. Aleydis, for example, could not save after her husband reduced his work hours following his accident. Despite this, Aleydis consistently made payments toward business debt while managing personal expenses through a combination of drawing from business revenue and borrowing money from a friend. Similarly, some borrowers faced acute barriers to saving money on a regular basis, such as health emergencies, business maintenance needs, and a shrinking clientele amid heightened concerns about safety in their communities. Some managed their higher expense-to-income ratios by making regular use of credit cards, but they were also making payments on other owed expenses, including banks in their home country, legal fees, and informal loans from friends. Although borrowers held longer-term hopes for their businesses and for their personal lives, these aspirations rarely informed day-to-day financial decisions while the study was underway because immediate needs left little room to act on them.

Even though her business was growing, Shanté struggled to grow her savings balance. When she did have surpluses, the income that remained after she paid for personal and business expenses went toward larger payments on high credit card and loan balances. In months without surpluses, Shanté managed her Grameen America loan and other debt by making only minimum payments on credit cards. Similarly, while some borrowers reported saving small amounts, others had trouble doing so. On average, borrowers with more diverse sources of liquidity contributed more to savings and accumulated more debt than borrowers with fewer sources. They accessed tools such as retirement and investment accounts, and fintech applications such as the Self app.¹⁶ When they struggled with debt, they would often pause or delay payments — a strategy that may reflect a greater willingness to take calculated risks to cover their financial needs than borrowers who relied more exclusively on incomes from their businesses or jobs.

Debt and savings patterns reveal distinct financial realities for borrowers. At the start of the study, total debt balances (excluding student loan and mortgage debt balances held by some borrowers) averaged about \$12,300 and grew to \$13,800 by the end of the study.¹⁷ Over a third of borrowers had debt concentrated in credit cards, Grameen America loans, and informal borrowing — often linked to family support or legal fees. One borrower reported that her debt balances weighed heavily on her mind:

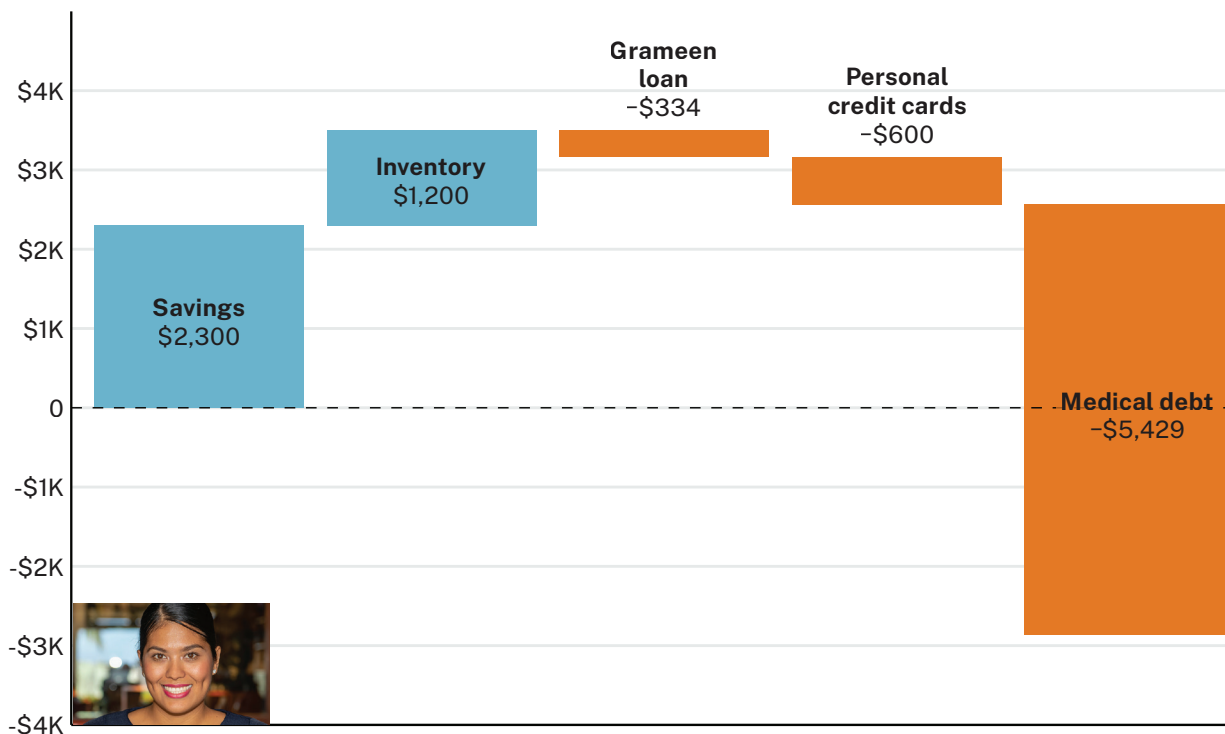
I made a lot of mistakes, and there's still ... some outstanding debts that ... keep me up at night. For example, I owe [a subscription service] \$10,000, because I signed up, and then everything in my life flipped upside down, and I tried to tell them, 'Hey, can we cancel this?' And then it was like 'No', and so they sent it to collections. And that wasn't the first time something went to collections. So I'm trying to stop myself from making bad mistakes and fixing those mistakes.

Another said, "When you're in the red, you kind of start avoiding things," reflecting her tendency to avoid a detailed understanding of her financial inflows and outflows when she had unresolved debt.

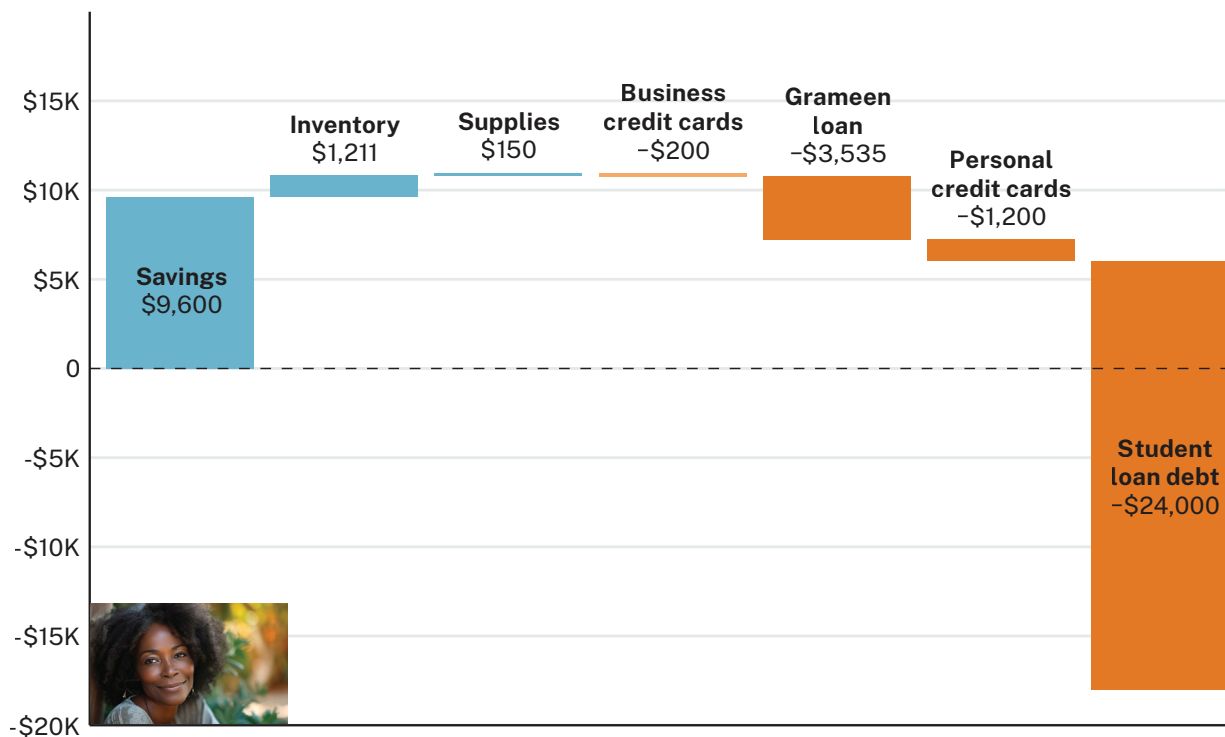
Borrowers with higher incomes carried much higher debt balances, largely due to student loans and mortgages, along with business and personal credit cards. Savings balances were inconsistently reported but followed similar patterns — borrowers who carried higher debt balances also had higher savings balances. These balances suggest that borrowers who faced tighter liquidity relied on smaller credit sources, and those who had higher incomes managed larger, longer-term obligations that reflect different financial strategies. (Note that during monthly financial diary calls, many study participants expressed uncertainty around their exact debt and savings balances or opted not to report them. Therefore, the estimated balances should be interpreted with caution.)

Aleydis's and Shanté's balance sheets (note that these exclude mortgage loans and car loans since the study does not have data on the value of fixed assets), shown in Figures 5 and 6, demonstrate

Figure 5. Aleydis's Balance Sheet Snapshot at the End of the Study Period



SOURCE: MDRC calculations from financial diaries data generated to be similar to a subset of Grameen America borrowers who participated in the study.

Figure 6. Shanté's Balance Sheet Snapshot at the End of the Study Period

SOURCE: MDRC calculations from financial diaries data generated to be similar to a subset of Grameen America borrowers who participated in the study.

how greater access to liquidity can make a difference in net worth. Even though both experienced negative cash flow during the study period, and neither was able to save, Shanté's larger savings balances from previous years helped partially balance out her total liabilities. Aleydis accrued a medical debt balance during the year that could not be covered with her remaining savings balance.

Seen alongside borrowers' descriptions of financial freedom as being debt-free, these patterns point to the importance of both providing supports to increase liquidity, particularly to provide stability for unanticipated expenses, and identifying pathways to reduce high-cost debt, in helping borrowers move toward the futures they envision.

Finally, generosity was an important part of borrowers' financial lives. Financial diaries and interviews show that Grameen America borrowers regularly sent gifts or remittances to family and friends. Many borrowers sent remittances, often to parents and children for education, medical needs, and other essentials. Charitable giving was also common among most Grameen America borrowers, with 11 borrowers making regular donations. These practices reflected strong family ties and active engagement in faith and professional communities.

Conclusion

The Grameen Financial Diaries study reveals how women entrepreneurs managed their interconnected business and household finances amid seasonal shifts, unexpected expenses, and broader economic pressures. Even in months when income and expenses were closely matched or negative, participants demonstrated resilience by adjusting to instability, finding ways to meet immediate needs, and drawing motivation and purpose from their businesses. These patterns help explain how financial well-being could improve even without large gains in annual net income: borrowers managed their financial lives dynamically, drawing on multiple income sources and adapting to changes in ways that supported day-to-day functioning and reduced the effects of volatility.

For policymakers, funders, financial institutions, and service organizations seeking to strengthen financial stability for entrepreneurs from low-income backgrounds, these findings point to the importance of considering a holistic view of full financial statements — including how timing, volatility, and competing demands show up across monthly profit-and-loss flows and year-end balance sheet positions — rather than relying on net income totals alone. Approaches that improve access to flexible liquid resources and can mitigate the shocks of month-to-month variation may better support borrowers in their efforts to achieve financial stability. Their progress toward financial freedom can be strengthened by ongoing access to capital, credit, and community support. Incorporating a focus on liquidity and increased cash flows into program and policy design can strengthen approaches that aim to support more stable financial trajectories for these entrepreneurs.

Notes and References

1. Kelsey Schaberg, Daron Holman, M. Victoria Quiroz Becerra, and Richard Hendra, “Pathways to Financial Resilience: 36-Month Impacts of the Grameen America Program” (MDRC, 2022).
2. Promotoras – Grameen America (website: <https://www.grameenamerica.org/communityhealthinitiative>, n.d.); Credit development refers to supporting borrowers in gaining the knowledge, habits, and access needed to engage with the formal credit system. Credit building refers to using strategies that help borrowers strengthen their credit histories, such as through consistent repayments that are reported to credit bureaus.
3. Jonathan Morduch and Rachel Schneider, *The Financial Diaries: How American Families Cope in a World of Uncertainty* (Princeton University Press, 2017).
4. Jonathan Morduch, Timothy Ogden, and Rachel Schneider, “The USFD Methodology: The Financial Lives of Low- and Moderate-Income Americans” (U.S. Financial Diaries, 2017).
5. Participants also provided their best estimates of income contributions from other household members. Because researchers did not interview all income-contributing members of the household, the financial profiles described in this brief reflect the borrowers’ best estimates of total household-level financial resources that include business income, personal income, income from other household members, and other household-level sources of funds such as public assistance.
6. Grameen America (website: <https://www.grameenamerica.org/program>, n.d.)
7. Susan Coleman and Richard Cohn, “The ‘Lack of Separation’ Revisited: Small Business Owners and Risk,” *The Journal of Entrepreneurial Finance* 6, 1 (2001): 104-114; James S. Ang, James Wuh Lin, and Floyd Tyler, “Evidence on the Lack of Separation between Business and Personal Risks among Small Businesses,” *Journal of Entrepreneurial Finance* 4, 2 (1995): 197-210.
8. While borrowers may use their personal or other earned funds at their discretion, due to legal compliance requirements, Grameen America maintains a strict policy to verify that all loan funds issued by Grameen America are used solely for business purposes.
9. U.S. Department of Housing and Urban Development. *HOME Income Limits: State of Georgia*. (website: https://www.huduser.gov/portal/datasets/home-datasets/files/HOME_IncomeLmts_State_GA_2025.pdf, 2025.)
10. The Aspen Institute describes financially secure households as those that can cushion the blow from financial shocks, invest to boost income level, leave a financial legacy, enjoy a higher quality life, and have greater ownership over assets. They describe financial stability as having enough resources to comfortably afford everyday life, build savings, and withstand financial shocks. See <https://www.aspeninstitute.org/programs/financial-security-program>.
11. The American Financial Services Association defines financial mobility as the increase in wealth and opportunity which leads to social change for individuals. It is worth noting that financial mobility is not a well-understood or commonly used term among the general population. Only two participants emphasized economic mobility as an improvement in their income status. Some mistook the term for liquidity and cash flow management, the ability to invest, or literal mobility related to geography and lifestyle – suggesting that the term may be better understood or used more uniformly in research, academic, or workforce settings. See <https://afsaonline.org/wp-content/uploads/2021/07/Financial-Mobility-Fact-Sheet.pdf>.
12. These income figures do not include two borrowers whose businesses generated more than \$20,000 a month during the study period.

13. Because study participants did not report savings balances consistently or reliably, especially during the early months of the study, data on savings were not used as a defining element of financial strength in this analysis.
14. Schaberg, Holman, Quiroz Becerra, and Hendra (2022).
15. Schaberg, Holman, Quiroz Becerra, and Hendra (2022).
16. Self is a fintech company “with a mission to help people build credit, particularly those who are new to credit.” See “What is Self” (website: <https://support.self.inc/s/article/What-is-Self>, 2025). Some Grameen borrowers had a Credit Builder Account and frequently used the Self app to help them manage their loan payments and monitor their credit scores.
17. When accounting for student loan and mortgage debt, which exceeded \$100,000 for five borrowers who had them, borrowers averaged about \$27,000 in personal and business debt, which grew to roughly \$46,000 by the final month.

Acknowledgments

First and most importantly, the authors would like to express our deep appreciation to the Grameen America borrowers who participated in the study. Their willingness to spend time sharing about their financial circumstances with the study team each month produced important insights for Grameen America and the financial well-being field about how to better support small business owners in achieving financial freedom. We would like to thank the members of our Research Advisory Council, including Maria Natal, Shiara Cueva, Ivonne Lacayo, and others, for drawing on their lived experiences with the Grameen America program to help us develop study materials and reflect on research findings. We also appreciate the guidance we received from expert advisors on the project, including Marcus Berkowitz, Valeria Moraga, Jamie Alderslade, Jasper Kubasek, Jesse McKeivitt, Jill Monum, Marisol Patino, Meritxell Roca, Diana Schvarztein, and Bridget Tate from Grameen America; Jonathan Morduch from the U.S. Financial Diaries Project; and Steven Brown from the Aspen Institute. Finally, we thank MDRC colleagues for their support in the report review and publication process: M. Victoria Quiroz Becerra for leading with the vision that made this project a reality, Osvaldo Avila and Gilda Azurdia for providing guidance to the implementation team and conducting interviews, Carolyn Thomas for preparing the brief for publication, Richard Hendra and Kelsey Schaberg for serving as reviewers of the brief, and Audrey Yu for providing visual design support.

The research and preparation of this brief was supported by Grameen America. The opinions expressed are those of the authors and do not represent the views, positions, or policies of the funders.

The following organizations support dissemination of MDRC publications and our efforts to communicate with policymakers, practitioners, and others: Arnold Ventures, Ascendium Education Group, Yield Giving/MacKenzie Scott, and earnings from the MDRC Endowment. Contributors to the MDRC Endowment include Alcoa Foundation, The Ambrose Monell Foundation, Anheuser-Busch Foundation, Bristol-Myers Squibb Foundation, Charles Stewart Mott Foundation, Ford Foundation, The George Gund Foundation, The Grable Foundation, The Lizabeth and Frank Newman Charitable Foundation, The New York Times Company Foundation, Jan Nicholson, Paul H. O'Neill Charitable Foundation, John S. Reed, Sandler Foundation, and The Stupski Family Fund, as well as other individual contributors.

For information about MDRC and copies of our publications, see our website: www.mdrc.org.

Copyright © 2026 by MDRC®. All rights reserved.

New York
200 Vesey Street, 23rd Fl.
New York, NY 10281
Tel: 212 532 3200

Washington, DC
750 17th Street, NW
Suite 501
Washington, DC 20006

Oakland
475 14th Street, Suite 750
Oakland, CA 94612
Tel: 510 663 6372

