



MOVE THE POOREST OUT OF POVERTY

More than half the world’s population lives on less than \$2 a day. Sickness, natural disasters, and economic crises keep families in a perpetual cycle of extreme poverty, unable to provide basic food and shelter or to allow their children to attend school.

HOW YOU CAN HELP: Help the poorest families take the first step toward self-sufficiency by supporting the **graduation model**. Unlike microfinance, which targets people who have a source of income, the graduation model works with the poorest of the poor, by providing assets, skills, and networks that help participants generate a source of revenue, readying them for microfinance in the future.

HIGH IMPACT OPPORTUNITY: First pioneered by the Bangladeshi nonprofit [BRAC](#), the graduation model has been adapted to many different localities, where it advances the poorest to progressive levels of economic independence. In Haiti, [Fonkoze’s Chemen Lavi Miyò \(CLM\)](#) — “Pathway to a Better Life” — is an eighteen-month asset transfer program that provides ultra-poor women with productive physical assets (such as goats and chickens); helps build their skills and confidence; connects them to social networks; and gives them shelter, a cash stipend, and access to healthcare. Clients then “graduate” to income-earning activities that enable them to sustain themselves without subsidies. Using Fonkoze’s 95 percent “graduation” success rate in their pilot, we estimate that in Haiti it costs approximately \$1,600 to move a participant out of extreme poverty to increased economic security.



TAKE ACTION: You can fund [Fonkoze](#) or [BRAC](#) (both allow tax-deductible contributions by U.S. donors). Or go to the [Consultative Group to Assist the Poor’s \(CGAP\)](#)’s information-rich web site, blog, and community of practice: [graduation.cgap.org](#) to find other organizations that use this model in countries around the world, including Ethiopia, Honduras, India, Pakistan, Peru, Ghana, and Yemen.

TIPS: Look for organizations that go beyond financial capital to help clients build their skills, networks, and assets, which are as important as income. Productive assets, like farm tools, goats, or weaving looms, increase people’s ability to generate an income. Non-productive assets like housing help reduce risks and improve clients’ ability to recover from economic crises.

For more tips and in-depth information on this model, see our guide [Haiti: How Can I Help?](#) pages 15-22.