Alternative Finance: Microfinance

Word list

microfinance
provision of savings accounts, loans, insurance, money transfers and other banking services to customers that lack access to traditional financial services, usually because of poverty. Making small loans to individuals who lack the necessary resources to secure traditional credit is known as microcredit.

entrepreneur
a person who starts a business and is willing to risk loss in order to make money

estimate
a guess that you make based on the information you have about the size, amount, etc., of something

▪ According to government estimates, current oil reserves are 10 percent lower than they were a year ago.

interest
a: the money paid by a borrower for the use of borrowed money

▪ We pay six percent interest on the loan. ▪ The loan was repaid with interest. ▪ monthly interest payments/charges ▪ interest rates ▪ an interest-free loan [=a loan that the borrower does not have to pay any interest on]

b: money paid to you by a bank for the money you have in a bank account

▪ He made about $500 in interest last year.

loan
an amount of money that is given to someone for a period of time with a promise that it will be paid back: an amount of money that is borrowed

▪ He took out a loan (from the bank) to pay for the car. ▪ He got a car loan. ▪ He'll need several more years to pay off/back the rest of the loan. ▪ She needed money, so she asked her friend for a loan. ▪ a student loan [=a loan that is used to pay for a student's education] ▪ a bank loan [=a loan that is made by a bank] ▪ a personal loan [=a loan that is made by a bank to someone for a personal need]
rate
an amount that is paid: a price or amount to be paid that is set according to a scale or standard
- The hotel’s rates start at $65/night. [=the least expensive rooms at the hotel cost $65 for one night’s stay and other rooms cost more than $65] • What’s the interest rate on the loan? • tax rates • Regular admission to the theater is $12, the student rate is $8, and the rate for senior citizens is $6.

rural
of or relating to the country and the people who live there instead of the city
- She lives in a rural area. • a rural community/setting • rural voters — opposite URBAN

legitimate
allowed according to rules or laws
- a legitimate [=legal, lawful] heir/government/business • legitimate means for achieving success • the legitimate use of firearms

sustainable
able to be used without being completely used up or destroyed
- sustainable energy resources • a sustainable water supply

debt
an amount of money that you owe to a person, bank, company, etc.
- He is trying to pay off gambling debts. • The company has run up huge debts.

obstacle
something that makes it difficult to do something
- He overcame the obstacles of poverty and neglect. • an obstacle to learning/progress

reduce
to make (something) smaller in size, amount, number, etc.
- The medicine reduces the risk of infection. • We are trying to reduce our debt

hurdle
something that makes an achievement difficult
- The company faces severe financial hurdles this year. • She overcame many hurdles [=obstacles] on her way to earning a college diploma.
burden
something that is very difficult to accept, do, or deal with
- a (heavy) burden of sorrow/guilt • She had to bear/shoulder the burden of caring for her aging parents. • The tax burden has been falling increasingly on the middle class. [=middle class people have been paying a greater portion of taxes] • the company's large debt burden [=the large amount of money that the company owes] — often + on • His illness has placed a huge financial burden on the family. • I'm sorry to be such a burden on you.

Metropolitan area