

## *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