

NOTEWORTHY

Sustainable community development for the poorest of the poor.

Summer 2023

NEO turns 15 ... and such a journey it's been!

On our fifteenth anniversary, let us tell you the story of the great NEO Fund adventure!

Research & Development – 2008-2016

Like all things in their infancy, NEO began as a newborn bundle of energy. We would tramp through the smoke and squalor of La Chureca (the city dump) and imagine a different world. We mourned for the sick, dying, vulnerable and victimized. We fed hungry kids, we made friends and forged alliances with churches, missions, schools, clinics – everyone we could. We helped start a preschool. We hired a nurse. We sponsored counseling. We bought shoes for barefoot kids. Then, in 2009, we had a vision of tiny loans that would make a big difference and lift the poorest of the poor. We imagined caring business coaches and trainers who would invest in the lives of the most vulnerable. The plan showed promise, but as it grew it proved to be a Rubik's Cube of complexity: how do you get people to pay back? How do you interface with other types of outreach? How do you pay and manage local staff? How do you make the numbers work?

Hope, Growth & Enthusiasm – 2016-2018

In 2016 we met Dr. Francisco Barquero, a Fulbright scholar, PhD expert in microfinance, and a Nicaraguan! We persuaded Francisco to review our nascent microfinance program and help



When we started in 2008, La Chureca was filled with families living in homes with corrugated walls and plastic-sheeting rooftops.



NEO began by feeding kids in La Chureca. As other groups began feeding programs in the same area, we turned our attention to a more sustainable way to help the parents provide for their families.

us make it better. He helped us re-work and reset the program, hiring a professional staff and implementing best practices. It went like a rocket. The program grew quickly and within a couple years we built our Nicaragua portfolio to a revolving fund of \$80,000 (from a much smaller initial investment), extending hundreds of loans and reducing our risk to 7% or less. The sky was the limit. The future glowed. We were going to help right the world and the program was going to pay for itself! We were giddy.

Struggle – 2018-2022

Then, boom. One trouble after another. First, violent political unrest in Nicaragua. Then, COVID. Finally, mass failure and chaos in the nonprofit sector as thousands of Nicaraguan NGOs were closed. And, though we retained our legal status by some miracle, our bank accounts were closed, forcing us to operate on a cash basis for more than one year. Additionally, we lost more than half of our local staff as many professionals fled the nonprofit sector en masse. We held on, but our portfolio, our community of borrowers, and our morale took a direct hit.

Reset, Hope & Opportunity – 2023 & beyond

In 2022 we hired an outstanding Nicaragua law firm, CYCCO, to help us navigate all the harsh headwinds. We established stronger legal status. In May 2023, we had our bank accounts restored. With two of our biggest challenges resolved, we entered a season of furious rebuilding. We're switching back from a cash accounting system to formal

(continued on page 2)

The NEO Adventure

(continued from page 1)

banking and traditional accounting. We're restructuring our local team for greater efficiency. We're implementing better audit and reporting structures than ever before. We're purchasing new credit software. All in preparation for a new season of growth and flourishing. We expect to double our portfolio by the end of this year.

We want to reach 1000 new borrower families in the next year and help them help themselves climb out of poverty.

Why? Because in dumps, slums, and poor barrios across Nicaragua, the poorest of the poor struggle to survive. And we have proven – together – that we can help. In the context of relationship, our credit staff and business trainers are poised to engage, helping poor women improve their own fortunes. Why? So kids can eat better. So they can go to school. So if they get sick they can go to a doctor and afford medicine. So cycles of poverty can be broken and the world made a brighter place. So there is more gladness, more hope and greater opportunity.

Will you help us accomplish this mission?

We are asking the NEO Family to contribute – a dollar at a time – to reach 1000 new borrower families in the next year. Thank you so much for your friendship and collaboration in this vision! Please consider a gift today at www.theneofund.org/needs. ■ ■ ■



Youth trip to the beach, circa 2012. We are resuming team trips and donor tours to Nicaragua! Write Ron@TheNEOFund.org if interested!

The Story of Ruth

As we restructure our work in Nicaragua, our training program (just started before all of the fallout of 2020-2022) will – without a doubt – be a cornerstone for our future growth. Why?

We visited Nicaragua recently to celebrate our staff who doggedly worked through our challenging time as well as the reopening of our bank accounts. During that visit, we checked in with some of our borrowers and heard a recurring theme: “I learned from my trainer...” One especially inspiring story was shared by our borrower, Ruth, in Ciudad Sandino.

Ruth started her business to help her granddaughter pay for college after the non-profit funding her scholarship was closed. Ruth worked with our business trainer to open her pulperia (small store). With her first loan of \$200, she bought inventory. After paying it off, she borrowed \$300 to buy a refrigerator. Her next loan was \$400 for a freezer. Her best-selling products are staples like eggs and milk.

She shares the top 3 lessons from her work with the NEO Fund trainer:

1. I learned how to invest the loan funds wisely,
2. I learned how to make the most of my profits,
3. I learned how to save.

Thanks to Ruth's successful business, Osmana is nearly finished with her degree as a lab technician and on her way to a professional career. Inspired by her story? Please consider a gift to our program by clicking [here](#). Thank YOU for being part of Ruth and Osmana's story!



Ruth (left) and her granddaughter Osmana (right) operate their pulperia in front of Ruth's house.



Leila checks on the fresh papusas baking in the oven purchased with one of her NEO Fund loans.

Meet Leila!

Leila is a baker who specializes in breads, donuts, pizzas and other delicious baked staples. A couple of years ago she entered our training program in Ciudad Sandino, Nicaragua, thanks to our partnership with Forward Edge. She wanted to be an entrepreneur and start a unique bakery. Our business trainer helped her imagine and create the business. Now Leila rents space from the bustling Nueva Vida school, where she runs the food service as a private business. The day we visited there was a long line of chattering kids in school uniforms, eager to buy their breakfast from Leila's cafeteria. She was baking bread, an employee was making tortillas on the grill, her husband Ernesto was taking orders and pouring drinks, and her 18-year-old daughter was running the till (she goes to school in the afternoons). It was a bustling, happy kitchen filled with the smell of fresh-baked bread.

Leila has taken three FEI / NEO loans (\$100/200/300) to build her thriving business. She said the low interest rate helps her save more of her earnings and she likes working with her credit officer, Byron, because, she said "he is very kind." Following her business training, she keeps immaculate books and buys her supplies in bulk at the lowest possible cost.

We walked away with donuts, a loaf of bread, fresh from the oven, and several Nica papusas - quesadillas made with a fresh tortilla, cheese and grilled vegetables.

This micro-business does more than create a livelihood for a family that has climbed out of poverty; it also serves hundreds of happy, satisfied customers every day!



The NEO Fund

"Empowering indigenous people to transform their own communities is the most effective weapon against global poverty." — Jen Hatmaker

US LEADERSHIP

BOARD OF DIRECTORS

Dean Hanson,
Shoshon Tama-Sweet, Mark Tobin, Caleb Coder

EXECUTIVE DIRECTOR

Ron Hockley

CREATIVE DIRECTOR

Cheryl Nemazie

MICRO-FINANCE OPERATIONS

Francisco Barquero, Ph.D.

ACCOUNTING

Tonya Porter

THE NEO FUND NICARAGUA

ADMINISTRATOR

Karla Rodriguez

CREDIT MANAGER

Byron Sequiera

TRAINER

Ivania Vargas

INDIA KISES LEADERSHIP

FOUNDER

Shoury Babu

DIRECTOR

Rajani Suram

LOAN MANAGER

Haritha Rebba



Tax-deductible donations may be made to
The NEO Fund, a 501-c3 non-profit, ONLINE at

www.theneofund.org/needs

or by MAIL to: The NEO Fund

811 SW 6th Avenue, Suite 1000 • Portland, OR 97204.

Inquiries may be directed to Ron Hockley at

Ron@theneofund.org or (503) 467-1324

Find us on Facebook at The NEO Fund.



811 SW 6th Avenue,
Suite 1000
Portland, OR 97204
www.theneofund.org

Sustainable Community Development for the Poorest of the Poor

Low Rates, free Coaching, accessibility

to the very poor... These three set The NEO Fund apart from other organizations. ***It's what microlending should be about!*** As Dr. Francisco Barquero, our Director of Microfinance explains,

*"In the beginning, when Mohamad Yunus first introduced the idea of microlending in Bangladesh, the intent was to make small loans that would have a big impact in the lives of the poor. As the industry grew, big microfinance institutions and giant development organizations like the World Bank ... lost the spirit of the initial vision. The beneficiary shifted from the poorest of the poor to the institutions themselves. **We have to go back to the roots of microlending, which is what the NEO Fund does.**"*

Your gifts to NEO have accomplished important work!

- 1) **Nicaragua.** Our flagship program in Nicaragua is poised to reach 1000 new borrowers by the end of the year. Will you help accomplish this? We need to fund a **new trainer** and purchase **credit software** to help address the effects of poverty and disadvantage. **Please consider a gift toward our \$10,000 goal.**
- 2) **Community Fund.** In addition to supporting local partners' child-feeding initiatives, we routinely learn about personal crises and urgent needs our borrowers have. While we do not give money to them directly, we disburse benevolent aid via our local partners. **Please consider a gift to help us solve some of these urgent needs.**
- 3) **Loan capital.** This past year taught us that our programs can work without us, once we reach a level of sustainability, where income meets operational cost, proving **Investments in our pool of loan capital continue to serve poor neighborhoods repeatedly over time.** **Please consider a gift to help increase our capital pool in Guatemala, India or Nicaragua.**

Visit theNEOfund.org/needs today to give a gift that keeps on giving!

Or mail your tax-deductible gift to The NEO Fund • 811 SW 6th Avenue • Suite 1000 • Portland, OR 97204