LIFTING LIVES THROUGH LOANS: Yunus in Bangladesh in 1998

MUHAMMAD YUNUS

COMPANY:
Grameen Bank

ADVICE:
Small gifts can equal big impacts.

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IN THE EARLY 1970S
Muhammad Yunus was teaching economic theory to students in a university classroom in Bangladesh. But outside the campus of Chittagong University, all he saw was crushing hunger and poverty. His desire to do something to help the local citizens led to a simple but powerful gesture: Yunus loaned $27 to destitute basket weavers in a village next to his university's campus.

He could not believe the excitement the small amount of money caused. For people living on pennies a day, just a few dollars could transform their lives—and in many cases it did. The gift was used to support and expand these very small businesses, and that helped many overcome their poverty. Much to Yunus' surprise, the basket weavers actually paid off the loans—and on time too. He then moved from one village to the next, finding all sorts of entrepreneurial projects to fund.

It wasn't until 1983 that Yunus founded Grameen Bank, the institution that helped pioneer and spread the concept of microcredit. By the time Yunus won the Nobel Peace Prize in 2006, the Grameen Bank had outstanding loans to nearly 7 million poor people in 73,000 villages in Bangladesh. More important, Yunus, 71, helped create a global movement toward microlending. The Grameen model moved on to more than 100 countries worldwide and helped millions.

While the bank could not eradicate poverty, it lifted many lives. No less critical, Yunus' idea inspired countless numbers of young people to devote themselves to social causes all over the world. ▣