ABOUT THIS RESEARCH EFFORT
This brief highlights key learnings and contextual information from the comparative analysis of the 2014 and 2015 administrations of the HOPE Quotient in Ukraine. The HOPE Quotient (HQ) is a client survey tool that measures transformation in the lives of clients while they are in relationship with HOPE. The HQ captures the direction of change in clients’ lives in four domains: spiritual, social, personal, and material.

The survey does not attempt to prove that all changes are a direct result of HOPE’s influence; rather, we celebrate transformation that occurs within the context of local churches and communities, honoring the truth that HOPE is only one avenue of many through which God works in the lives of our clients.

HEADLINES
• Clients report that HOPE has positively impacted their lives. In 2015, 61% of surveyed clients shared their material sufficiency had been impacted by HOPE, and 37% considered that to be one of the top 2 most significant areas of impact.
• Church attendance increased overall, with 28% of clients attending church more often.
• Interactions with staff matter. From staff visits to delinquency management, this reinforces HOPE’s emphasis on equipping loan officers for life-on-life discipleship and responding to delinquency in a Christ-centered way.
• 20% of respondents who reported their income experienced increased business revenue after adjusting for inflation, in spite of instability and inflation challenges,
• HOPE products meet real needs. Of clients who used a consumer loan for home repairs and buying productive assets, nearly half (48%) reported they would not have made the purchase if not for a loan from HOPE.

CAVEATS
• During the survey period, Ukraine experienced political instability and severe economic fluctuation.
• Due to high inflation, varying reliability of self-reported income, and overrepresentation of certain types of loans within this research effort, the following observations should be viewed as representative of the HQ respondents and not necessarily representative of all HOPE Ukraine clients.
• With a longitudinal survey, it is expected to receive more reliable responses the second year of administration due to client familiarity with questions and understanding that their service has not changed in response to the information shared. Thus, there is more confidence in the reliability in the second year data.

METHOD
• 2014 cohort: 50 relatively new clients
• 2015 cohort: 41 original clients interviewed (7% of all clients served by HOPE Ukraine), 9 unable to be contacted.
• Survey: ~100 questions with a mix of multiple choice, open-ended, and forced ranking.

Demographics of respondents

- Active Clients (2015): Not active, 32%; Active, 68%
- Clients With Businesses (2015): No, 44%; Yes, 56%
- Types of Businesses (2015): Service, 17%; Agricultural, 33%; Resale / retail, 50%

• In 2014, 21 respondents received consumer loans while 20 received productive loans for business or agriculture investment.
• 82% of clients were married by formal or common law.
• 58% finished secondary school, 14% had some university schooling, and 22% completed university.
Key learnings

**Self-reported impact**

- **Clients report that HOPE has positively impacted their lives.** Respondents were asked to select from a list of areas that they felt had been positively impacted by their involvement with HOPE Ukraine. **Selection of all areas of impact increased** with the exception of social capital/networks. It is expected to see a smaller impact in the social domain of clients’ lives because of the individual lending model.
- The five most commonly selected areas in 2015 were: 1) **accurate understanding of God**, 2) life lived by obedience to God, 3) **biblical perspective on the world**, 4) **financial management skills**, and 5) **inner sense of peace**.
- **Top areas of impact:** Respondents were asked to select the two most significant areas of impact they saw as a result of their relationship with HOPE.

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<tr>
<th>2014 Top Areas of Impact</th>
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<td>1) Material sufficiency</td>
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<td>2) Stewardship of resources</td>
<td>2) Financial management skills</td>
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<td>3) Relational capital and social network</td>
<td>3) Hope for the future + inner sense of peace (tied)</td>
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**Spiritual domain**

- **Respondents largely believe in one God.** All respondents except one said they believe in one God in 2015. Two respondents who had said they were not sure if they believed in God in 2014 reported that they did believe in one God in 2015. Conversely, one client reported not being sure if he/she believed in God in 2015 after that same client reported believing in one God in 2014.

- **Church attendance has increased overall.** In total, 28% of clients attend church more, while 55% remained consistent in attendance, and 17% attend church less as illustrated in the graph to the right. 37% of respondents attended church at least monthly in 2015, an increase from 22% in 2014.

**Individual Church Attendance Change**

- Attending Church More, 11.28%
- Attending Church Less, 7.17%
- Attending Church The Same, 22.55%

**Social domain**

- **Interactions with staff matter.** An open-ended question asks respondents about memorable interactions with HOPE staff. Many respondents referenced home and business visits by the loan officer or their own visits to the office. Situations of delinquency were also mentioned. This reinforces HOPE’s emphasis on equipping loan officers for life-on-life discipleship and responding to delinquency in a Christ-centered way.

<table>
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<th>Key quotes about memorable interactions with HOPE Ukraine staff</th>
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<tr>
<td><strong>2014</strong></td>
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- **Quality service matters.** When asked which interactions with HOPE staff were most important to them, respondents in both 2014 and 2015 selected 1) **lending services** and 2) **speed and simplicity of processing documents** as most important, followed by 3) **discussing family, life events, or spiritual matters.**
• **Self-reported attitudes of generosity improved.** Based on indexed answers to a series of attitudinal statements, responses indicating generosity improved among respondents as a whole. In 2015, an increased number of respondents fell in the range of ‘medium/ambivalent’ to ‘high’ generosity than in 2014 (83% and 76%, respectively).

• As a group, there was a 12% shift of respondents indicating a ‘somewhat low’ level of generosity to a ‘somewhat high’ level.

### Personal domain

Overall trends persisted from 2014 to 2015 in questions relating to the personal domain.

• **Agency:** We celebrate that over half of the respondents (54%) from 2014-2015 were categorized as having a ‘somewhat high’ to ‘high’ level of agreement with statements related to recognizing their ability to be agents of change in their lives.

• **Peace:** Most respondents were categorized as having ‘medium/ambivalent’ (56% in 2015) or ‘somewhat high’ (39% in 2015) levels of peace about the future. This is encouraging given the context of war and instability.

• **Dignity:** In the area of recognizing their own dignity, most clients were categorized as ‘medium/ambivalent’ (46% in 2015) or ‘somewhat high’ (32% in 2015).

### Material domain

• **Inflation challenges:** It is worth noting that in 2014 and 2015, Ukraine experienced its highest inflation in nearly 18 years (15.7% in 2014 and 40.2% in 2015, according to World Bank national accounts data), a change which significantly influences business and consumer activity. Between 2014 and 2015, the hryvnia weakened from 8 hryvnia to 1 USD to a peak of 28 to 1, and remained above 20 to 1 throughout 2015.

• **At least half of clients reported higher business revenue before adjusting for inflation.** In 2015, 50% of respondents reported increases in business revenue, as shown in the graph. For respondents who disclosed their income sources and amounts, the calculations showed that 60% of respondents experience increased business revenue.

• **After adjusting for inflation:**
  - 20% of respondents who reported their income amounts experienced increased business revenue.
  - The average monthly income of all respondents with businesses decreased 34% from $675.64 in 2014 to $448.84 in 2015.

• **HOPE products meet real needs.** Of 23 respondents who used a consumer loan for house repairs and purchasing productive assets, nearly half (48%) reported they would not have made the purchase if not for a loan from HOPE.