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## Small Change

This Boston Globe article cites a [paper](#) by IPA president Dean Karlan and Research Affiliate Jonathan Zinman as well as a [paper](#) by IPA Research Affiliates Abhijit Banerjee, Esther Duflo, and Rachel Glennerster (with co-author Cynthia Kinnan) in its discussion of the impact of microfinance.

From the article:

"Microcredit is not a transformational panacea that is going to lift people out of poverty,' says Dean Karlan, an economics professor at Yale and a co-author of one of the studies. 'There might be little pockets here and there of people who are made better off, but the average effect is weak, if not nonexistent.'"

"I don't see this as a negative finding,' she [Duflo] says. When asked why she thinks microcredit didn't boost health and education outcomes, she says, 'I would really ask the question, 'Why did we expect all these things to happen?' If you give people access to a financial instrument, it's like any other instrument. It's useful, but it's not like the miracle drug to end poverty.'"

September 20, 2009