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The Downside and Surprising Upside of Microcredit

A new microcredit impact evaluation by Dean Karlan and Jonathan Zinman is published in Science, finding mixed results. Contrary to widely held beliefs, the loans did not generate bigger businesses, higher income, or greater subjective well-being for the recipients. Instead, the loans led to fewer businesses and a lesser sense of well-being. However, the practice did result in stronger risk management.

See the [Article here](#), and a [response by Jonathan Morduch here](#), and a [podcast interview with Dean Karlan on the findings here](#).

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