

Financial services and products

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Financial Services and Products The need to make financial s capable of handling more than one service is growing with each passing year. Financial institutions are keen to invest with poor entrepreneurs to help them boost their economic standing. It is a term commonly known as microfinance. As times change, these institutions are willing to ensure their investments grow. Poor entrepreneurs willing to pursue business ventures offer the assurance, which financial institutions are looking for in order to invest. They, therefore, choose to offer more services to low-income earners/entrepreneurs with the aim of helping them expand (Ledgerwood 65). This paper will look at some of the ways financial institutions are expanding, and at the same time, helping low-income entrepreneurs with capital to do business.

Low-income earners may demand services in financial institutions that are not offered to other investors. This presents a problem to the financial institution if they are not willing to give them what they need. It fosters unhealthy relations between the concerned parties, hence; lack of understanding or loyalty among either party (Ledgerwood 71). Some microfinance approaches should be addressed in order to advocate for the coexistence of all parties involved.

Some products financial institutions offer are for the benefit of those investing in the institution. An example of these services and products is saving. Voluntary saving is advocated for in these institutions ((Ledgerwood 157). This is a requirement for all those who want to borrow money from the financial institution. The growth of financial institutions depends on how well those investing return borrowed money, while investing with the institution. In conclusion, financial services and products offered in financial institutions must cater for the desires of the poor entrepreneurs ((Ledgerwood 72). The <https://assignbuster.com/financial-services-and-products/>

guarantee that they will always come back as satisfied clients is always present. It is the new way to go about financing. Many institutions are capitalising on this opportunity, as well as the low-income entrepreneurs trying to make a living through these means.

Work Cited

Ledgerwood, Joanna. *Microfinance Handbook: An Institutional and Financial Perspective (Sustainable Banking with the Poor)*. World Bank, 1999. Print.