"Cuando uno lo tiene a la mano, lo gasta"—When you have it in your hand, you spend it.

In a single sentence, a young Peruvian teacher named Beatriz laid out the power of Peru's UNICAs—Uniónes de Crédito y Ahorro—small self-organized community groups whose members offer each other financial support by pooling savings and providing loans. Along with 11 other women, Beatriz saves money each month by buying interest-bearing shares in their UNICA, and she can take out short-term loans against their holdings if a promising business opportunity comes along or she needs extra cash for family expenses.

After some initial support from government-sponsored advisors, Beatriz and the other members of her UNICA now work together to run their fund. Collectively they decide on deposit and loan rates, make decisions about lending, set repayment terms, and determine the annual distributions for members. It's an education in financial planning and management that can have as much impact as the economic gains. One woman brought her four-month-old daughter into the UNICA, she explained, so that she can grow up learning the discipline of saving. In another UNICA a father brought in his teenage son so that he could learn about the shared business established by the UNICA's members.

In operation in Peru since 2006, UNICAs have been responsible for more than 90,000 loans and have served more than 12,000 families who would otherwise have limited access to financial services. The government is now connecting the UNICAs and their members to bank accounts and to the wider formal financial system, another step towards the goal of widespread financial inclusion.