



## Frequently Asked Questions

### Warm Heart and Warm Heart Products

#### What is the Warm Heart Microenterprise Project?

The Microenterprise Project is an initiative of the Warm Heart Foundation of Phrao District, Chiang Mai Province, Thailand. Phrao is one of the poorest districts in northern Thailand. One third of the population is landless; more than a third lives on less than \$0.50 a day. Perhaps the greatest challenge facing the people of Phrao is the lack of jobs, which drives many to migrate to the cities to find work. The result is a vicious cycle of poverty and family dysfunction. We break this cycle by creating vibrant small businesses that employ large numbers of people at living wages. Where others have offered donations, Warm Heart helps people to help themselves in a sustainable fashion. We work with established producers to redesign and improve the quality of products for an American market and we teach business skills and production techniques to agricultural day laborers, single mothers, grand- and great grandmothers. We buy from everyone and sell in the US, returning 50% of the huge price bump to our partners.

#### Who makes Warm Heart products?

Warm Heart products are made by the people of Phrao. Some are established professionals; some are just learning a trade. Some work alone; most work as members of informal (unincorporated) cooperatives. Some are men; most are women. Warm Heart producers range in age from 12 and 13 year old school drop-outs to elderly grandmothers in their mid-seventies. Most are from families of landless agricultural day laborers or live in the Hill Tribe villages that dot the mountains surrounding Phrao. They are bright, articulate, and extremely hardworking with exceptional senses of humor. The weaving workshops are filled with the clatter of foot peddles and shuttles, and with the chatter and laughter of the weavers. The crocheting groups work in circles, toe-to-toe, and sing. The day is long, but everyone agrees that it is far shorter working in the shade on a common endeavor with friends than bent over knee deep in the mud of someone else's rice paddy.

#### Are Warm Heart products Fair Trade?

“Fair Trade” is a designation that applies almost exclusively to raw materials – coffee, tea, cotton – and not to manufactured goods of the kind we sell. Warm Heart products, however, fit entirely within the spirit of Fair Trade. We are a nonprofit organization dedicated to grassroots development through job creation and sustainable income growth through microenterprise. Warm Heart artisans set their own wages and Warm Heart buys their products at the highest retail price the local market will support. Warm Heart bulks and ships their products to the US, and sells them in the American market. We split the net profit 50:50 with our artisans. At the end of each quarter, each cooperative receives a check for its 50% of the net profit on the total of its products sold during the previous three months. On average, these “bonuses” triple the returns from the products sold through Warm Heart.

## **Why doesn't Warm Heart pay its producers the better price upfront?**

We operate the way we do for practical reasons. We are new, small and do not have the working capital to purchase large quantities of product up-front at prices that reflect the expected sales price in the US. Because of shipping and time to sale, it can take months before a product is sold, far longer than we can tie up our working capital. Equally important, we do not want to operate like big brother, unrealistically buying everything that artisans produce at inflated prices. We will buy at a good local price, but our partners' ability to sell in the US – and so to earn the bonus – depends on their ability to maintain quality, remain innovative and sustain their output. By providing the bonuses only after their products have sold in the US, we keep the reality of the market ever present, which is crucial. Why? Because Warm Heart is about creating *sustainable* jobs and *sustainable* development, something that will not happen if jobs and small businesses depend on the fantasy that we will always be there to buy whatever they produce at prices higher than the market will bear.

## **What difference does buying Warm Heart products make?**

Your purchases change lives. Leave aside the intangible value of giving people jobs that they can be proud of; forget what it means to parents to be able to support their children. Consider what your purchases mean in basic economic terms. Our first partner was the Women Weavers of Wat Toongluang. This cooperative of twenty landless women was formed twelve years ago to provide members the ability to earn enough from weaving that they did not have to abandon their families to work in the cities. In the beginning, the weavers earned a dollar a day from their work. By 2008, they were earning \$3 a day. Since then, we have *tripled* their income. Much more important, we have figured out how to put *every* woman in the cooperative on social security – medical, disability and unemployment insurance, a retirement package and a death benefit. How? Hundreds of Americans have bought their beautiful scarves.

## **Where Can I Buy Warm Heart Products?**

The easiest place to buy Warm Heart products is at our e-store. Stop by and tell your friends!

- [www.warmheartonline.org](http://www.warmheartonline.org).

Warm Heart Microenterprise Products are sold at quality boutiques in central New Jersey. For the location of the store nearest you, call us at 732-745-9094 or email us at:

- [info@warmheartonline.org](mailto:info@warmheartonline.org)

The Warm Heart Online Store will launch soon. Let us know if you would like to be notified.

## **Learn More**

Learn more about Warm Heart at our website and blog:

- [www.warmheartworldwide.org](http://www.warmheartworldwide.org)
- <http://blog.warmheartworldwide.org>

If you would like to follow daily developments and see Warm Heart in action, grab the RSS feed from our blog:

- <http://blog.warmheartworldwide.org/feed>