

Key Insight

78% OF OPPORTUNITY EDUFINANCE PARTNER SCHOOLS ARE AFFORDABLE TO FAMILIES LIVING IN EXTREME POVERTY

December 2025

In June 2025, the World Bank updated the global poverty lines for low, lower-middle, and upper-middle income countries.^{1,2} Based on these new definitions of global poverty, Opportunity International EduFinance (Opportunity) has updated its country-specific framework to define an ‘affordable non-state school’ through the lens of low-income families’ access to these schools. Applying this methodology to 15 countries³ show that 76.3% of EduQuality schools and 79% of SLA-participating schools charge fees that are affordable to families living below the global definition of extreme poverty.

How Does Opportunity Define an Affordable Non-State School?

There is significant debate in academic literature around whether low-fee private schools are affordable for low-income families.⁴ Given the lack of a clear “Yes or No” consensus in the literature, Opportunity finds the more useful question to be “what is the maximum school fee that is affordable to a low-income family in X country?” By defining this maximum threshold, one can then apply these criteria to any school in any country to determine if its fee structure would be affordable to a low-income family.

In academic research, there is similarly no consensus around what constitutes an affordable school fee. Opportunity conducted a full literature review and identified six methodologies proposed by leading academic researchers of how to define an affordable school fee threshold.

Key Findings of the Literature Review



Educational expenditure is typically based on financial indicators such as gross national income (GNI) per capita, gross domestic product (GDP) per capita, minimum wage, or income poverty lines.



Many methodologies fail to consider other educational expenses in addition to school fees, including uniforms, textbooks, and school meals.



Across several academic papers, as outlined in Figure 1, **affordability is defined as a maximum percentage of household income**, per capita income, or minimum wage, adjusted for household size and number of children.

1. June 2025 Update to Global Poverty Lines. World Bank Factsheet June 5th, 2025.
<https://www.worldbank.org/en/news/factsheet/2025/06/05/june-2025-update-to-global-poverty-lines#:~:text=What%20is%20the%20new%20poverty,be%20living%20in%20extreme%20poverty.>

2. World Bank Country Classifications by Income Level for 2024-2025. <https://blogs.worldbank.org/en/opendata/world-bank-country-classifications-by-income-level-for-2024-2025>

3. Including all 13 countries where EduQuality operates and 11 out of 13 countries with Education Finance Products (EFP)-facilitated SLA workshops. The remaining two SLA countries (Guatemala and Senegal) did not have available data.

4. Opportunity EduFinance, 2023. Sole Proprietor Low Cost Private Schools Evidence Brief. March, 2023.
<https://edufinance.org/publications/research-and-learning/education-finance-network-sole-proprietor-low-cost-schools-conditions-for-success/>

AUTHOR	MAXIMUM PERCENTAGE SPENT ON EDUCATION
Stern & Heyneman, 2013	50% of (per person) minimum wage
Tooley & Dixon, 2006	16% of (per person) minimum wage
Tooley & Longfield, 2016	10% of household income on all education expenses
Barakat et al., 2012	4% of household income per child on all education expenses
Lewin, 2007	5% of household income on school fees only
De, Noronha, & Samson, 2002	25% more on education expenses than for public schools

Figure 1: Maximum percentage of income spent on education according to several authors

Following this literature review, Opportunity assessed each methodology using actual and illustrative school fee data from its partner schools and triangulated these findings with data in each academic paper. **Finally, the Barakat et al. 2012 methodology was selected** as the most relevant to Opportunity partner school contexts and well-triangulated with other validating data. For a full explanation of why the Barakat et al. 2012 methodology was selected as the most rigorous and relevant to Opportunity contexts, see the Key Insight Report published in 2021 ‘3 in 4 EduQuality Partner Schools Are Affordable to Low-Income Families.’⁵

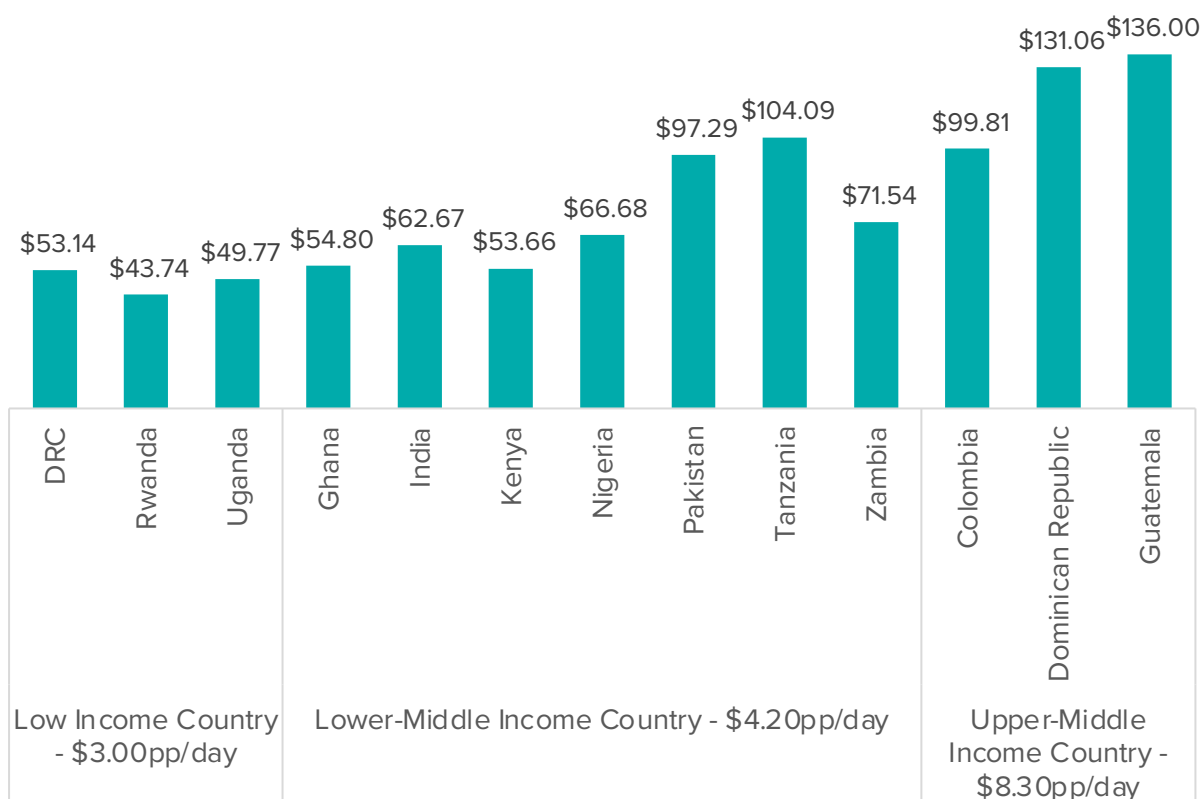
Opportunity defines ‘affordable’ as 4% of a household’s annual income per child spent on their total education budget, with 70% of this budget going towards school fees.

Using this methodology, Opportunity calculated its affordable fee thresholds based on new World Bank global poverty lines of \$3.00, \$4.20, and \$8.30 per person/per day for low, lower-middle, and upper-middle income countries respectively.

Using this daily per capita income threshold and average household size to determine annual household income, we can calculate the annual education budget (4% per child) and assume 70% used for school fees to determine the maximum termly school fee by country (Figure 2). For a full step-by-step methodological breakdown, see page 10.

5. Opportunity EduFinance, 2021. Key Insight: 3 in 4 EduQuality Partner Schools Are Affordable to Low-Income Families. <https://edufinance.org/publications/key-insights/3-in-4-eduquality-partner-schools-are-affordable-to-low-income-families/>

Max Termly School Fee Affordable to HHs Living in Poverty (by Country Income-Level Poverty Line)



Note: based on 2 terms per year for Tanzania and Dominican Republic, and 3 terms per year for all other countries

Figure 2: Maximum termly school fee affordable to households living in extreme poverty

Key Finding #1: 76% of schools in the EduQuality program are affordable to families living in extreme poverty.

The Opportunity EduQuality program is a holistic, three-year school development program that offers professional development training to school leaders and teacher mentors in affordable non-state schools on school management, instructional leadership, and classroom teaching best practices.

Using school fee data reported from 1,801 EduQuality partner schools⁶ across all 13 EduQuality countries of operation, analysis found that 76% of schools charge termly fees that are at or lower than the maximum affordable fees outlined in Figure 2.

School leaders report their highest and lowest termly fees (excluding boarding) in an annual school profile survey. These highest and lowest fees are then averaged and converted to USD using the exchange rate at the time of the survey.

6. Out of 3,660 total schools currently active in the EduQuality program, representing a 49% sample

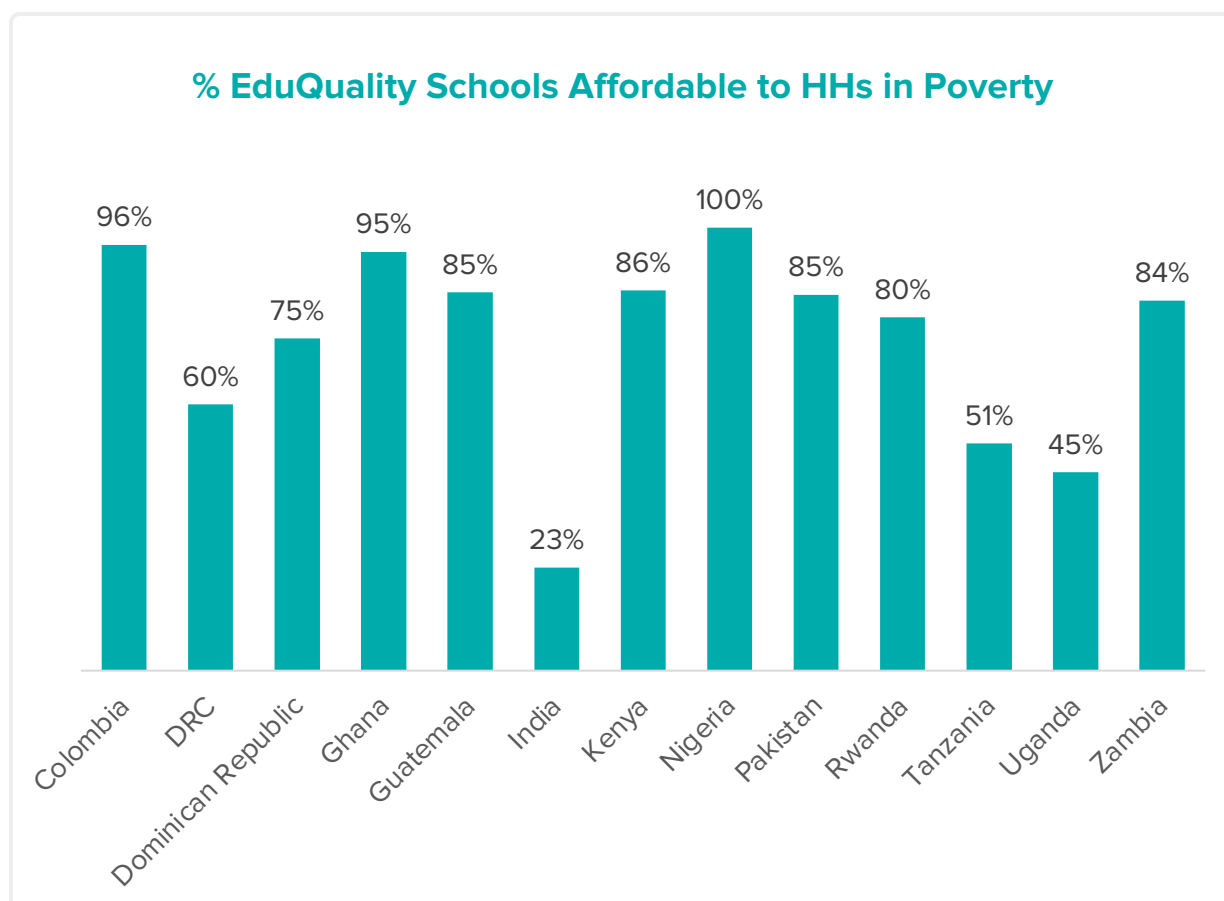


Figure 3: % EduQuality Schools with Affordable Fees

Results of the analysis show that in most countries, a large majority of EduQuality schools are affordable to households living in poverty, with India, Tanzania, and Uganda achieving lower rates of affordability.

In India, affordability thresholds based solely on the international poverty line may understate access in contexts such as Tamil Nadu, the Indian state where the EduQuality program operates. Applying the global poverty line of \$4.20 per person per day results in 23% of EduQuality partner schools in India falling below the affordable fee threshold. However, Tamil Nadu has comparatively low poverty rates and a more compressed household income distribution.^{7,8} Setting the affordable fee threshold based on third-quintile income, rather than the global poverty line, may better reflect typical low-income households in Tamil Nadu. Using this calculation finds that 51% of EduQuality schools are affordable to low-income (third quintile) families in India.

EduQuality was intentionally piloted in Tamil Nadu to test program viability in a complex new market, where regulatory conditions, school leader engagement, and operational access made implementation feasible. This initial phase prioritized proof of concept and learning before expansion to more economically marginal regions. Lessons from this pilot are now informing future expansion strategies aimed at reaching lower-fee schools in poorer states.

7. Poverty & Equity Brief, India. World Bank Group, October 2025. Accessed: <https://documents1.worldbank.org/curated/en/099722104222534584/pdf/IDU-25f34333-d3a3-44ae-8268-86830e3bc5a5.pdf>

8. India States Briefs, Tamil Nadu. World Bank Group, February 2018. Accessed: <https://www.worldbank.org/en/news/feature/2016/05/26/india-states-briefs#:~:text=Despite%20appreciable%20progress%2C%20some%20of,the%20rest%20of%20the%20country.>

For other countries with lower rates of affordability such as Uganda and Tanzania, multiple factors may influence these figures. For example, reported fee levels do not capture whether a high percentage of students are on full scholarships, nor whether schools have high percentages of uncollected fees or parents that pay for fees with in-kind support. Further, EduQuality prioritizes affordability while intentionally working within mixed-fee clusters to enable peer learning and sustainability. The EduQuality cluster model is most effective when schools with varying experience collaborate so that more seasoned schools can coach their peers, even if this means there are higher-fee schools in the cluster who can offer or benefit from peer coaching.

When considering how schools in each country distribute across termly fee bands, most schools cluster in the \$10–\$30 or \$30–\$70 range. Ghana and Nigeria have the highest shares of schools charging under \$10 per term, likely reflecting a large EduQuality cohort of schools in rural areas of northern Ghana that offer some of the lowest fees across the program. In Nigeria, because school demand for the EduQuality program was much higher, the team could be more selective and intentionally partner with lower-fee schools. Program recruitment strategies varied by country based on market maturity and demand.

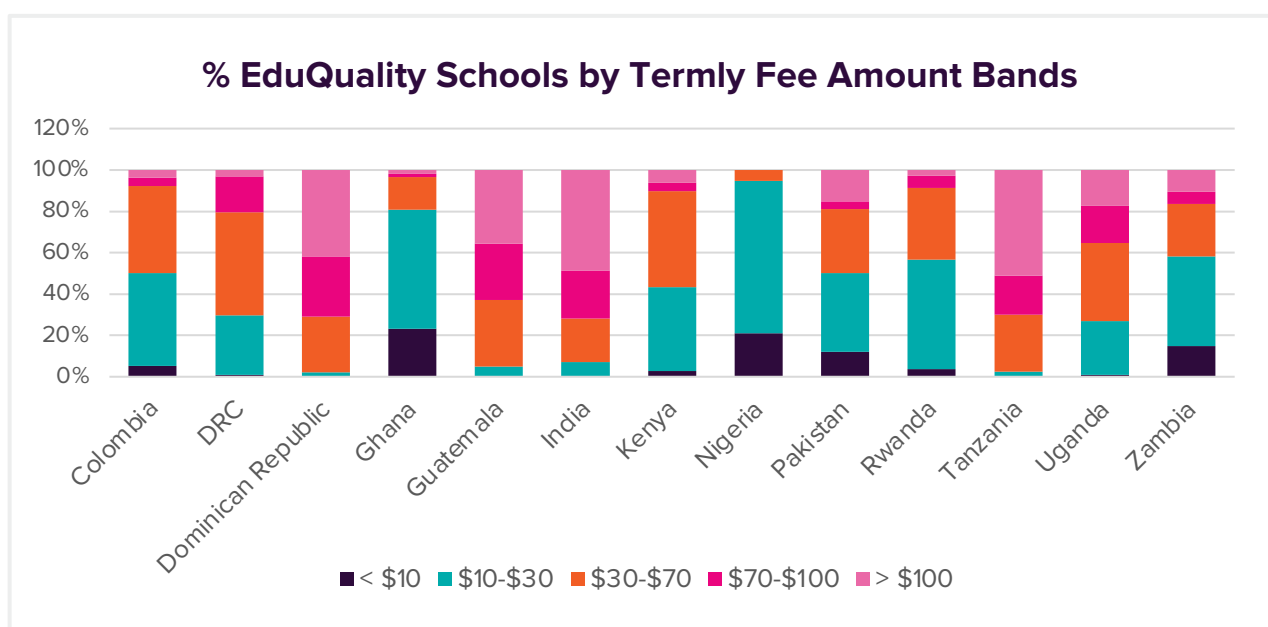


Figure 4: EduQuality Schools' Termly Fee Bands

Key Finding #2: Schools offering pre-primary grade levels are more likely to offer an affordable average fee, while only 29% of secondary-only schools are affordable to families living below the poverty line.

Analysis by school level shows that schools offering pre-primary grades are more likely to fall at or below the affordable fee threshold, with 75% of pre-primary only schools, 80% of pre-primary & primary, and 83% of schools offering all levels charging average fees affordable to families below the poverty line. In contrast, only 56% of primary-only schools and 29% of secondary-only schools are affordable to families below the poverty line. These findings suggest that primary and especially secondary schools in EduQuality tend to charge higher fees, indicating that the program has not reached the lowest-fee secondary schools.

Going forward, EduQuality will phase out work with secondary schools due to content design changes that better suit primary schools, a program design decision rather than a shift in organizational commitment to secondary education access.

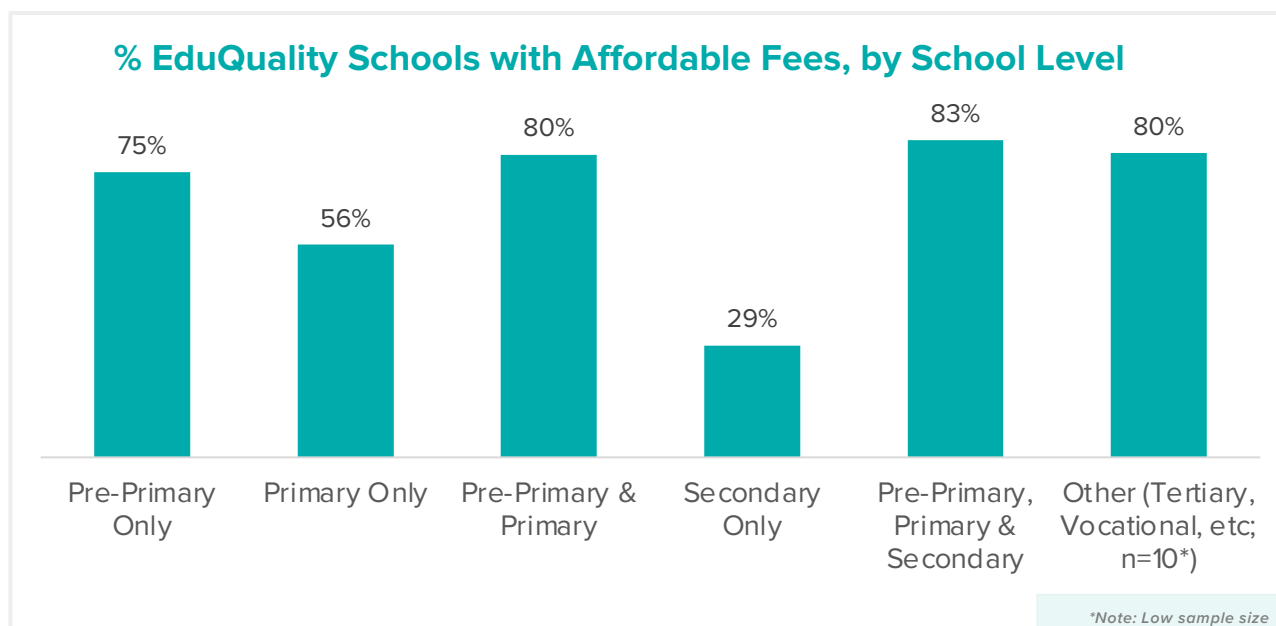


Figure 5: % Schools with Affordable Fees, by School Level

It is important to note that when reporting their school fees, school leaders report both the highest and lowest fees charged and these amounts are averaged to determine the overall school fee. While lower pre-primary fees may pull down the overall average fee, school leaders are not asked to report fee levels according to grade level. It is also important to recognize that while pre-primary fee levels are more likely to be affordable, many families living in poverty may still opt out of sending pre-primary aged children to school in order to cover fees for their primary-aged children.

Key Finding #3: 79% of schools participating in School Leadership Academy (SLA) workshops are affordable to families living in extreme poverty.

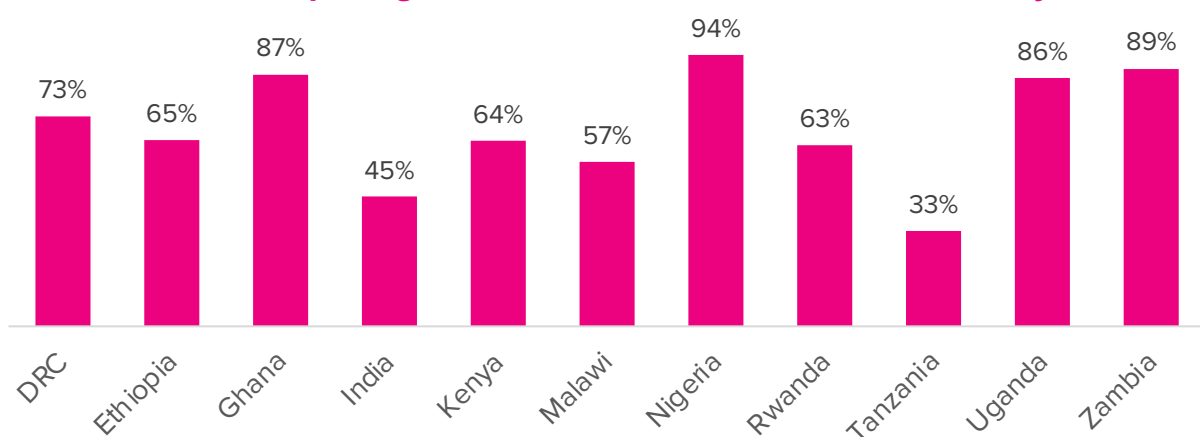
Alongside its EduQuality program, Opportunity offers School Leadership Academy (SLA) workshops in 13 countries as part of its Education Financial Products (EFP) program. The SLA workshop equips school leaders in affordable non-state schools with the management and financial literacy skills needed to access capital and grow their schools. Through targeted training in budgeting, financial record-keeping, and credit readiness, school leaders build capacity to make informed financial decisions, improve school operations, and access financial services.

Using school fee data reported from 6,376 SLA participant surveys across 11 countries, analysis found that 79% of schools charge termly fees that are at or lower than the maximum affordable fees outlined in Figure 2.^{9,10}

9. In India, the equivalent annual fee threshold was used due to regional variations in number of terms per year.

10. In India, data from Andhra Pradesh and Telangana regions were excluded from the analysis due to data quality issues.

% SLA-Participating Schools Affordable to HHs in Poverty



Note: In India, number of terms per year varies depending on the region, and so the annual affordable fee threshold (\$188.01) was used for fee calculations.

Figure 6: % SLA Schools with Affordable Fees

Results of the analysis show that in most countries, a large majority of SLA-participating schools are affordable to households living in poverty. Consistent with EduQuality partner school findings, India and Tanzania see the lowest rates of affordability. For Tanzania, this is likely because the majority of schools targeted for SLAs in Tanzania are secondary schools that tend to charge higher fees.¹¹ In India, other programmatic and contextual factors may have contributed: In order to receive buy-in from financial institutions to conduct SLAs in India, schools need to already meet minimum requirements such as having at least 300 students. Further, schools also must be registered as by law, financial institutions in India cannot lend to unregistered schools. Both factors likely contribute to a slightly lower rate of affordable schools participating in SLAs in India.

Key Finding #4: Schools with affordable fees are less likely to have accessed a loan compared to schools that are not affordable.

Out of the total schools with affordable fees, only 29% had ever accessed a loan in the past compared to 46% of non-affordable schools. This gap suggests that lower-fee schools face greater barriers to borrowing, such as lower revenue, less predictable cashflow, or limited familiarity with financial products. This finding reinforces the need for targeted pre-finance support and grant-funded readiness interventions for the lowest-fee schools.

Has your school ever taken out a loan?

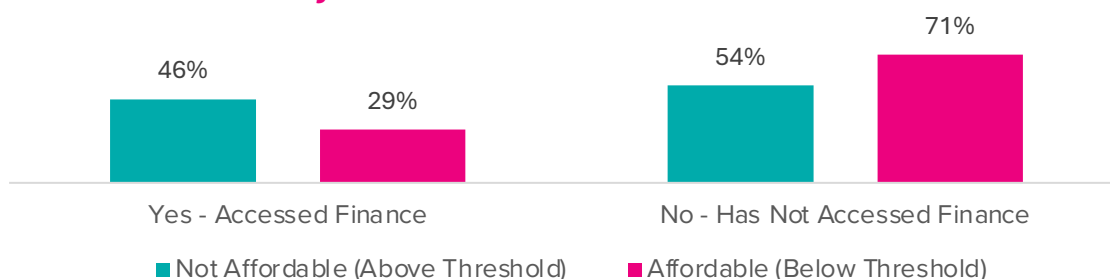


Figure 7: % Affordable/Non-Affordable Schools Taking Loans

11. Due to donor funding restrictions

However, when asked whether the school had ever had a loan application rejected, data shows that affordable schools are not having loans rejected at higher rates than non-affordable schools. Rather, they may not be applying for loans at all, possibly due to limited awareness of loan products or lower confidence in navigating loan processes.

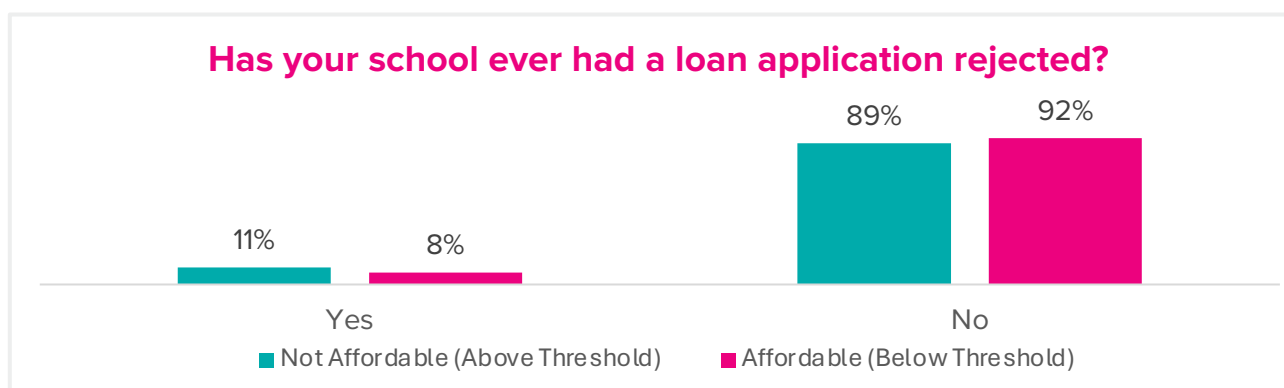


Figure 8: % Affordable/Non-Affordable Schools with Rejected Loans

Key Finding #5: Affordable schools are less likely to be fully registered. Only 41% of schools charging affordable fees were fully registered, compared to 65% of schools with non-affordable fees.

For SLAs in Africa, participating schools are asked to report their registration status. Analysis shows that affordable schools are less likely to be fully registered, with only 41% of affordable schools reporting they are fully registered compared to 65% of schools with non-affordable fees. This may suggest that lower-fee schools struggle to meet regulatory requirements, which often involve costly standards for infrastructure, land ownership, and other inputs that are difficult to finance with limited revenue. These findings highlight regulatory barriers beyond the control of schools, underscoring the importance of policy-level engagement alongside school-level support.

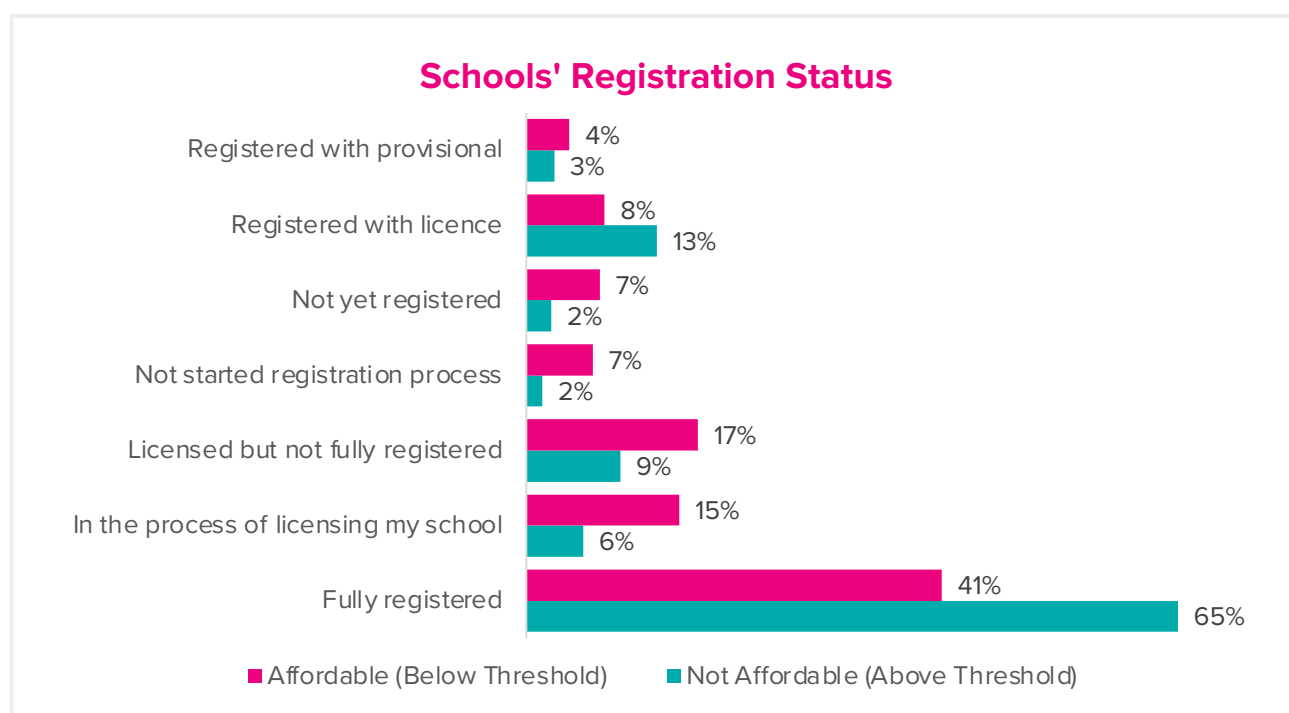


Figure 9: Schools' Registration Status

Analysis of SLA schools by the year of establishment shows that affordable schools are more likely to have been established more recently: 69% of affordable schools were established after 2010 compared to 52% of non-affordable schools. This pattern may also help to explain findings on registration status above, where schools earlier in the registration process tend to charge lower fees, as older schools have had more time to complete the full registration process.

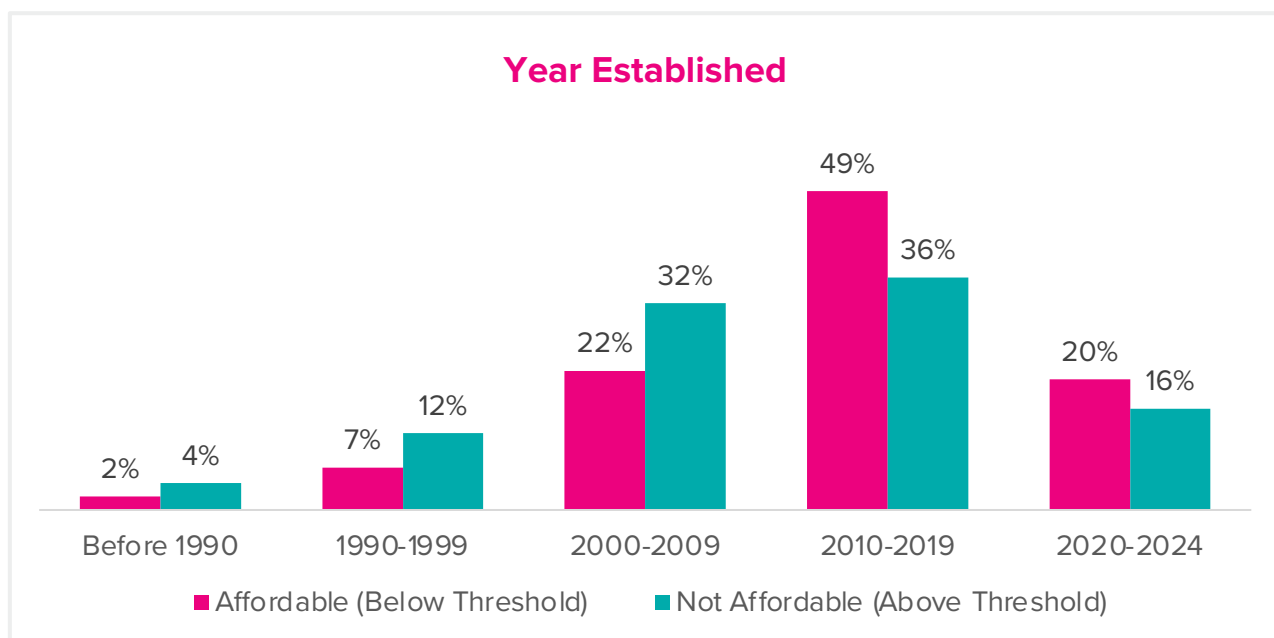


Figure 10: Year of School Establishment

An area for further research may be around the question of whether schools tend to raise their fees as a result of registering their school or other school quality improvements they are encouraged to make. Future research will aim to examine this question by looking at schools' fee structures over time and whether this correlates to other quality improvements, for both EduQuality and SLA-participating schools.

“Affordability implies a family can pay for education without needing to forgo spending in other essential areas.”

– CLAIRE MCLOUGHLIN, UNIVERSITY OF BIRMINGHAM

Opportunity’s mission is to get more children into better schools. Because we believe families with limited resources should have the same opportunities to provide their children with a quality education, we focus our work on schools that are affordable to lower-income families. For this reason, having a clear framework for identifying affordable schools is essential.

By focusing on lower-fee schools, we help ensure that children from low-income households have more options and opportunities. At the same time, slightly higher-fee schools can play an important role by sharing practices and strengthening the learning networks within their clusters. A well-defined affordability framework allows us to balance both aims: prioritizing inclusion while leveraging the strengths of the wider school ecosystem.

Methodology: Step-By-Step Method for Calculating Affordable Fee Thresholds (Barakat et al. 2012, Tooley & Longfield, 2016)¹²

In 2021 following an extensive literature review, Opportunity selected the Barakat et al. (2012) methodology defining 4% of a household's annual budget per child was considered affordable for total education expenses. To reach a conclusion on the most appropriate methodology, Opportunity applied six separate methodologies identified in academic literature to school fee data from six EduQuality countries.¹³ Based on this extensive analysis, the "4% method" generated the most representative, mid-range affordable school fee value.

Using Uganda as an example, we follow the "4% method" to calculate the maximum termly school fee that is affordable to households living below the poverty line:

STEP ONE: CALCULATE ANNUAL HOUSEHOLD INCOME

Calculate annual household income by multiplying the income per capita (\$3 per day, or \$1095 per year) by the number of members in the household. Average number of household members is provided using UNESCO Institute for Statistics (UIS) data by country. In Uganda, this is 4.87 household members, resulting in \$5332.65 annual household income.

STEP TWO: CALCULATE HOUSEHOLD INCOME AVAILABLE FOR EDUCATION

The total household budget for school fees is defined as 4% of household income for each child. In Uganda, there are 2.06 school-aged children per household on average, according to UIS data.¹⁴ This results in a maximum education budget of 8% of total household income, or \$440.25.

STEP THREE: CALCULATE INCOME AVAILABLE FOR SCHOOL FEES PER CHILD

The household education budget is then divided by the average number of estimated school-aged children (UIS) per household, resulting in a budget of US \$220.12 per child. Using the available literature (Tooley, 2016 & Foko et al. 2012), Opportunity then uses 70% of total education budget for school fees. In Uganda, this results in \$149.30/child annually or \$49.77 per term.

12. This methodology draws heavily on two papers: Barakat et al. (2012) defines the '4% of income per child' guideline which forms the basis of the calculation, while Tooley & Longfield (2016) provides a detailed framework for calculating affordability according to different income thresholds.

13. Opportunity EduFinance, 2021. Key Insight: 3 in 4 EduQuality Partner Schools Are Affordable to Low-Income Families. <https://edufinance.org/publications/key-insights/3-in-4-eduquality-partner-schools-are-affordable-to-low-income-families/>

14. UNESCO Institute for Statistics School Age Population. <https://databrowser.uis.unesco.org/view/#indicatorPaths=UIS-EducationOPRI%3A0%3ASAP.3%2CUIS-EducationOPRI%3A0%3ASAP.2%2CUIS-EducationOPRI%3A0%3ASAP.1&geoMode=countries&geoUnits=&browsePath=EDUCATION%2FUIS-EducationOPRI%2Fschool-age-pop&timeMode=range&view=table&chartMode=multiple&tableIndicatorId=SAP.3&chartIndicatorId=SAP.3&chartHighlightSeries=&chartHighlightEnabled=true>

KEY INPUTS

- **Poverty Line/Day/Person (World Bank, 2025)**
- **Average Number of Household Members (UIS)**
- **Average Number of School Aged Children Per Household (UIS)**

Data Collection

Data for this report was collected between 2023-2025 through in-person surveys, using both paper-based and tablet-based methods, across all 13 countries where EduQuality operates and in 11 of the 13 countries that conducted SLA workshops. The remaining two SLA countries, Guatemala and Senegal, did not have available data. In total, the analysis draws on responses from 1,801 EduQuality partner schools and 6,376 SLA participants.

Limitations

The analysis carries several data limitations. Only 49% of EduQuality partner schools were sampled due to operational constraints in data collection, which may limit the generalizability of findings. For SLA data in India, all data from Andhra Pradesh and Telangana were excluded because of concerns about data quality, reducing the completeness of the India dataset. In addition, because school leaders self-report only their highest and lowest fees rather than all grade-specific fee levels, affordability variations within schools may not be fully captured. Although averaging these two values provides a reasonable proxy for a school's overall fee structure, it does not reflect differences across grade levels.

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