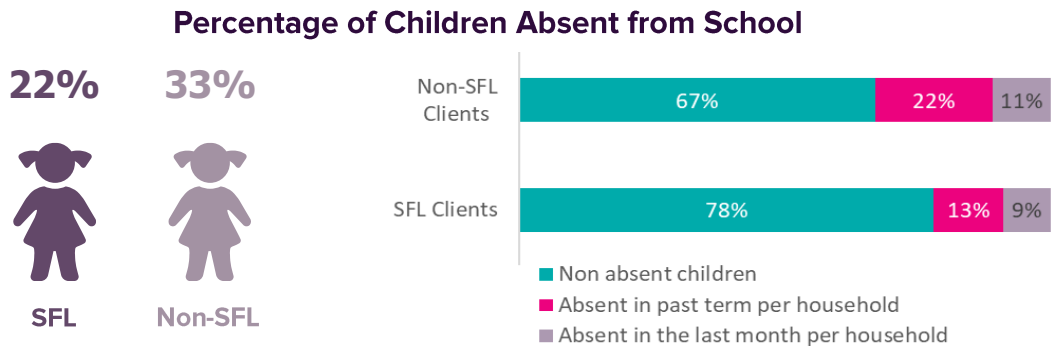# IMPACT OF EDUFINANCE
SCHOOL FEE LOANS

Key Insight: School Fee Loans decrease absenteeism

Households borrowing school fee loans (SFL) report lower student absenteeism rates than households that did not borrow.
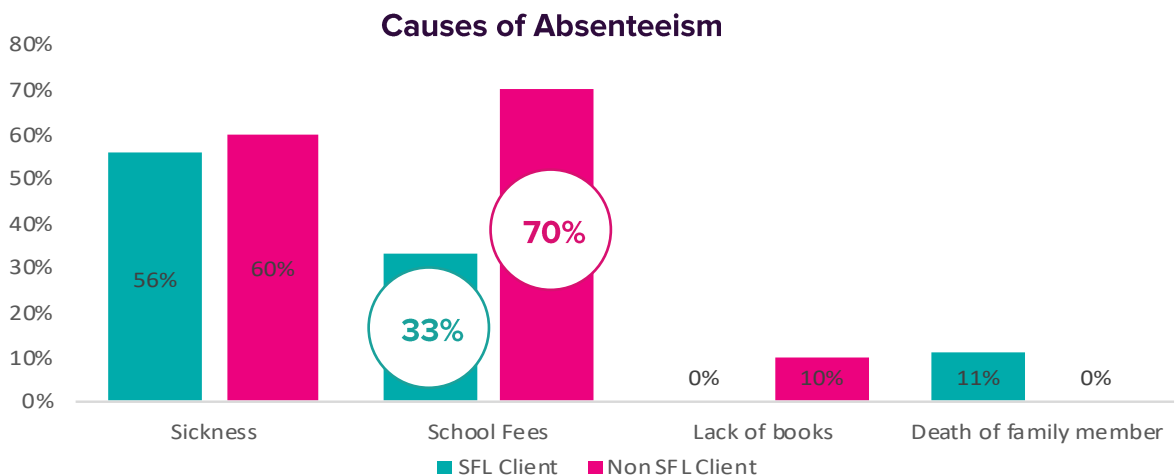
Key Finding #1 - Absenteeism

Households borrowing school fee loans reported a **lower rate of student absenteeism (22%)** over the last term than non-borrowing households (33%).

Percentage of Children Absent from School

22%   **33%**

SFL   Non-SFL

	Non absent children	Absent in past term per household	Absent in the last month per household
Non-SFL Clients	67%	22%	11%
SFL Clients	78%	13%	9%

- Non absent children
- Absent in past term per household
- Absent in the last month per household

Key Finding #2 – Cause of Absenteeism

The **inability to pay school fees on time** was the key differentiating factor in reported causes of absenteeism. **70%** of households not borrowing SFL reported that lack of school fees was a cause of absenteeism, compared to only **33%** of SFL households reporting this as a cause.

Causes of Absenteeism

|	Sickness	School Fees	Lack of books	Death of family member
SFL Client	56%	33%	0%	11%
Non SFL Client	60%	70%	10%	0%

- SFL Client
- Non SFL Client

STUDY: Understanding School Fee Loans Study - Nairobi, Kenya

Opportunity EduFinance and Kantar Market Research conducted a study in Kenya to understand the key characteristics of Musoni Microfinance's SFL clients. The research team conducted 176 interviews around Nairobi, Kenya in late 2019, interviewing Musoni clients as well as non-client households, aiming to capture an in-depth and holistic picture of the impact of school fee loans.

Key Finding #3 – Household Size

Households borrowing school fee loans are likely to have **larger families** (5.2 people) with **more school going children** (2.3) than non-school fee loan borrowing households.

2.3 school-aged children

5.2

**Households borrowing
School Fee Loans**

1.8 school-aged children

4.3

**Households not borrowing
School Fee Loans**
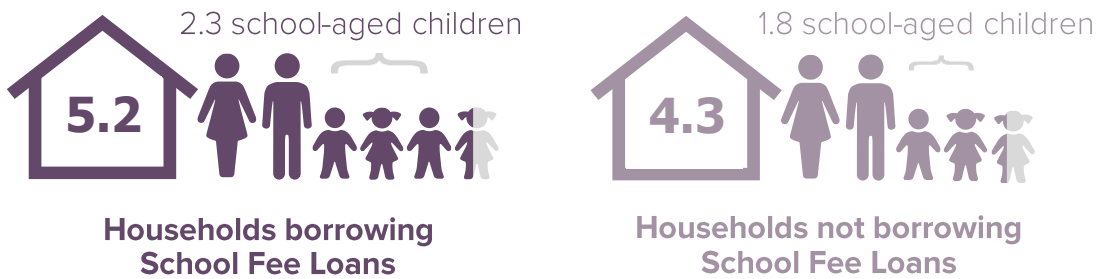
Key Finding #4 – Living in Poverty

On average, households with school fee loans report **higher household income** compared to non-school fee loan households. However, since this income is spread over a larger family size, SFL households are marginally **more likely to be living in poverty** (18.0%) than non-SFL households (16.4%). **These findings indicate the school fee loan is reaching households that require this support to keep children in school.**

Using the Progression out of Poverty Index (PPI), average PPI scores were calculated for SFL and non-SFL households to determine the likelihood households are living in poverty.

% likelihood Household is living on $2.50/day

65.6

**Households borrowing
School Fee Loans**

62.4

**Households not borrowing
School Fee Loans**

% likelihood household is living in poverty

%

Poverty Line	SFL Clients	Non-SFL Clients
National Poverty Line	18%	16.40%
150% of Poverty Line	48%	45.30%
$2.50/day Poverty Line	65.60%	62.40%
200% of Poverty Line	70.20%	67.90%

■ SFL Clients ■ Non-SFL Clients

NOTE: The Kenya National Bureau of Statistics (KNBS) established the national poverty line for urban households at 5,995 Kenya shillings per month per person and includes minimum provisions for both food and non-food expenditures, equivalent to US$1.86/day as of June 2020. https://bit.ly/2YarLLL