

KEY INSIGHT. Income prospects are boosted by EduFinance

Opportunity EduFinance financial institution partners have generated **\$56 million** worth of additional future annual income for students through disbursements of School Fee and Tertiary Tuition Loans, meaning parents and students recoup **47%** of their investment annually.

Applying Potential Earnings Research to EduFinance

1

Each additional year of education generates an increase in earnings for a child above their household's current income level

Peet, Fink, and Fawzi (2015) present one of the most comprehensive studies of **comparative returns to education** at the country level. This study uses national household surveys from 25 developing countries between 1985 and 2012 to estimate the **average increase in earnings for each additional year of school** completed at a given level of education (Peet et al., 2015).

2

School Fee Loans and Tertiary Tuition Loans enable children to continue their education

School Fees and Tertiary loans have an average duration of **six months**, enabling school aged children and tertiary students to attend **half a year** of school.

404K



617K



1.8M



School Fee & Tertiary Loans

To date, EduFinance partner financial institutions have disbursed 404,000 School Fee and Tertiary Tuition Loans, worth \$120 million.

Years of Additional Education

This equates to 617,000 years of additional years of education that has been derived from these loans.

Cumulative Child Impact

The total Cumulative Child Impact of these loans is estimated at more than 1.8 million children.

Applying Potential Earnings Research to EduFinance

3

School Fee & Tertiary Tuition Loans have created an estimated **\$56M** worth of additional future annual income for children

Applying the **617,000** years of additional education derived from **404,000** school fee and tertiary tuition loan to the **average return of an extra year of education** using the Peet, Fink, and Fawzi (2015) studies' country specific estimates demonstrates these loans have created **\$56 million** in annualized additional future income for children able to continue their education.

4

Parents & students recoup **47%** of their investment annually

Applying **\$120 million** borrowed in school fee and tertiary tuition loans to the **\$56 million** in annualized additional future income for children equates to borrowers recouping **47% of their investment annually** for each year children attend school.

**Future
Additional
Annual Income**

\$56M

47%

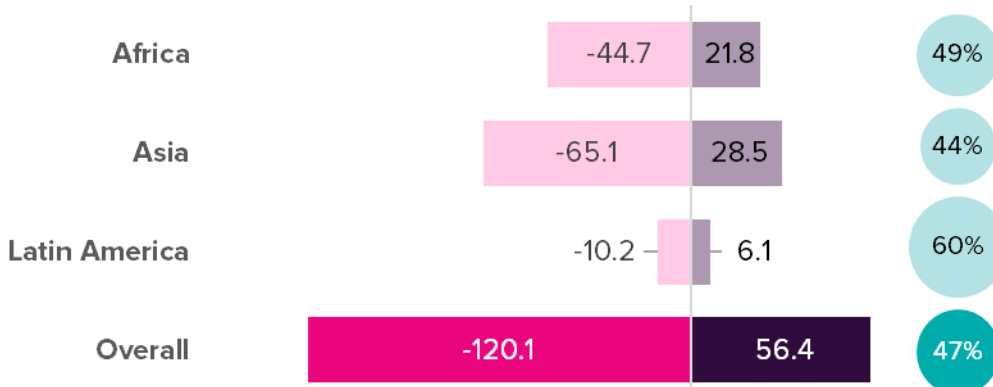
**Annual
Return on
Investment**

Additional Income Derived from EduFinance Loans

■ Total Value of Loans, USD, millions

■ Eventual annual income generated, USD, millions

**Return on
Investment**



NOTE: This analysis assumes each child is only impacted by 0.5 years of additional education for a single loan. However, as many households take out repeat loans to continue paying school fees on time, this is likely an underestimation of actual cumulative return.